THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any of the contents of this circular or as to what action to take in relation to this circular, you should consult appropriate independent advisers to obtain independent professional advice.

If you have sold or transferred all your shares in China Communications Construction Company Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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)

PROPOSED ISSUANCE OF A SHARE CONVERTIBLE BONDS; CONNECTED TRANSACTION: POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE BONDS BY CCCG; PROPOSED RE-ELECTION OR ELECTION OF DIRECTORS; PROPOSED RE-ELECTION OR ELECTION OF SUPERVISORS; PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION; AND SUPPLEMENTAL NOTICE OF 2017 SECOND EXTRAORDINARY GENERAL MEETING

Sponsor (Joint Lead Underwriter)

中信证券股份有限公司
CITIC Securities Company Limited

Joint Lead Underwriters

中信建投证券股份有限公司
CHINA SECURITIES CO., LTD.

中银国际 证券有限责任公司
BOC INTERNATIONAL (CHINA) LIMITED

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Possible Subscription for A Share Convertible Bonds by CCCG

SOMERLEY CAPITAL LIMITED

A letter from the Board is set out on pages 5 to 22 of this circular. A letter from the Independent Board Committee is set out on pages 23 to 24 of this circular. A letter from Somerley, the independent financial adviser, containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 25 to 52 of this circular.

The EGM of the Company will be held as originally scheduled at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC at 2:00 p.m. on 22 November 2017. The supplemental notice of the EGM is set out on pages 53 to 55 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed revised proxy form in accordance with the instructions printed thereon not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof (i.e. before 2:00 p.m. on Tuesday, 21 November 2017). Completion and return of the revised form of proxy will not preclude you as a Shareholder from attending and voting in person at the EGM or at any adjourned meeting should you so wish.

3 November 2017

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In this circular, unless the context otherwise requires, the following terms shall 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 RMB
"A Share Convertible Bond Holder(s)"	holder(s) of A Share Convertible Bonds proposed to be issued by the Company
"A Share Convertible Bond Issuance Plan"	the A Share Convertible Bonds issuance plan of the Company to be considered and, if thought fit, approve at the EGM, details of which are set out in this circular
"A Share Convertible Bonds"	the convertible corporate bonds in the total amount of not more than RMB20 billion which are convertible into new A Shares and proposed to be issued by the Company within the PRC
"A Shareholder(s)"	holder(s) of A Shares
"Annual Interest"	the interest accrued to A Share Convertible Bond Holders in each year on each anniversary of the date of issuance of A Share Convertible Bonds, calculated based on the aggregate nominal value of the A Share Convertible Bonds
"Articles of Association"	the articles of association of the Company
"Board"	the board of directors of the Company
"CCCG"	China Communications Construction Group (Limited), a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company
"Company"	China Communications Construction Company Limited, a joint stock limited company duly 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

"Company Law"	the Company Law of the People's Republic of China, as amended from time to time
"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"CSRC"	China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company
"EGM"	the 2017 second extraordinary general meeting of the Company scheduled to be held at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC at 2:00 p.m. on 22 November 2017
"General Mandate"	the general mandate granted to the Board at the 2016 annual general meeting of the Company convened on 16 June 2017 to solely or simultaneously allot, issue and/or deal with A Shares and/or H Shares and/or preference shares (the corresponding number of A Shares and/or H Shares upon the restoration of the voting rights calculated based on initial simulated conversion price) within 12 months after the annual general meeting or at the conclusion of the next annual general meeting of the Company or before the mandate is revoked or varied by way of a special resolution of Shareholders (whichever earlier), the number of which shall not exceed 20% of the number of each of the issued A Shares and/or H Shares of the Company as at the date which the relevant resolutions were approved
"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"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Independent Board Committee"	the committee of Directors consisting of Mr. LIU Zhangmin, Mr. LEUNG Chong Shun and Mr. HUANG Long who are independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Possible Subscription for A Share Convertible Bonds by CCCG
"Independent Shareholders"	the Shareholders, other than CCCG and its associates who will abstain from voting on the relevant resolution in relation to the Possible Subscription for A Share Convertible Bonds by CCCG at the EGM
"Latest Practicable Date"	30 October 2017, being the latest practicable date for ascertaining certain information included herein before the printing of this circular
"Original Proxy Form"	the proxy form of the Company dated 26 September 2017
"Possible Subscription for A Share Convertible Bonds"	the possible exercise of the pre-emptive rights by CCCG to subscribe for A Share Convertible Bonds under the A Share Convertible Bond Issuance Plan
"PRC"	the People's Republic of China and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Revised Proxy Form"	the revised proxy form as enclosed to the circular of the Company dated 3 November 2017
"RMB"	Renminbi, the lawful currency of the PRC
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	A Share(s) and/or H Share(s)

"Shareholder(s)"	the holder(s) of the Share(s) of the Company
"Somerley"	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders in relation to the Possible Subscription for A Share Convertible Bonds
"Supervisor(s)"	Supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company

Note: Any discrepancies between the amounts herein and the amounts set out in the tables herein are due to rounding.

中國交通建設股份有限公司

CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1800)

Executive Directors
LIU Qitao
CHEN Fenjian
FU Junyuan

Non-executive Director
LIU Maoxun

Independent non-executive Directors
LIU Zhangmin
LEUNG Chong Shun
HUANG Long

Registered Office:
85 De Sheng Men Wai Street
Xicheng District
Beijing 100088
the PRC

Principal Place of Business in Hong Kong:
Room 2805, 28th Floor
Convention Plaza Office Tower
1 Harbour Road, Wanchai
Hong Kong

3 November 2017

To the Shareholders,

Dear Sir or Madam,

**PROPOSED ISSUANCE OF A SHARE CONVERTIBLE BONDS;
CONNECTED TRANSACTION: POSSIBLE SUBSCRIPTION FOR
A SHARE CONVERTIBLE BONDS BY CCCG;
PROPOSED RE-ELECTION OR ELECTION OF DIRECTORS;
PROPOSED RE-ELECTION OR ELECTION OF SUPERVISORS;
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION; AND
SUPPLEMENTAL NOTICE OF
2017 SECOND EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

References are made to the announcements of the Company both dated 26 September 2017 in relation to: (i) the Proposed Issuance of A Share Convertible Bonds and Possible Subscription for A Share Convertible Bonds by CCCG; and (ii) the proposed re-election or election of Directors and shareholder representative Supervisors. Reference is also made to the notice of the EGM dated 26 September 2017. Reference is further made to the announcement of the Company dated 30 October 2017 in relation to the proposed amendments to the Articles of Association.

The purpose of this circular is to give you the supplemental notice of the EGM and to provide you with all the necessary information on (i) the satisfaction of the conditions of the public issuance of A Share Convertible Bonds; (ii) the Proposed Issuance of A Share Convertible Bonds; (iii) the preliminary plan of the Proposed Issuance of A Share Convertible Bonds; (iv) the feasibility report on the use of proceeds raised from the Proposed Issuance of A Share Convertible Bonds; (v) the dilution of immediate returns by the Proposed Issuance of A Share Convertible Bonds and the remedial measures to be adopted; (vi) rules for A Share Convertible Bond Holders' meeting; (vii) the proposal to general meeting to authorize the Board or its authorized persons to manage the matters relating to the Proposed Issuance of A Share Convertible Bonds; (viii) the Shareholders' return plan for three years of 2017 to 2019; (ix) the connected transaction in relation to the Possible Subscription for A Share Convertible Bonds by CCCG; (x) the proposal to general meeting to authorize the Board to consider and decide the provision of performance guarantee for the overseas subsidiaries of the Company to perform and implement their projects; (xi) the report on the use of the previously raised proceeds; (xii) the specific self-inspection report on the real estate business; (xiii) the undertaking on the matters relating to the specific self-inspection of the real estate business issued by the controlling Shareholders, Directors, Supervisors and senior management of the Company; (xiv) the proposed re-election or election of members of the 4th session of the Board; (xv) the proposed re-election or election of shareholder representative Supervisors of the 4th session of the supervisory committee of the Company; and (xvi) the proposed amendments to the Articles of Association in order to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

II. INFORMATION ABOUT THE RESOLUTIONS

1. Satisfaction of the Conditions of the Public Issuance of A Share Convertible Bonds

Pursuant to the Company Law, the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Administrative Measures for the Issuance of Securities by Listed Companies (《上市公司證券發行管理辦法》), the Supervision Q&A on Issuance – Regulatory Requirements Relating to Guidance on Standardizing Financing Activities of Listed Companies (《發行監管問答 – 關於引導規範上市公司融資行為的監管要求》) and other laws, regulations and normative documents, the Company made reference to the requirements for the qualifications and conditions of the public issuance of A share convertible bonds by listed companies and self-examined its actual situations. The Company believes that it has satisfied the relevant requirements for the public issuance of A share convertible bonds under the existing laws, regulations and normative documents, and possessed the qualifications and conditions for the public issuance of A Share Convertible Bonds. As such, the Company proposes to make an application to the CSRC for the public issuance of A Share Convertible Bonds.

This proposal is submitted to the Shareholders for their consideration and approval as a special resolution at the EGM.

2. Proposed Issuance of A Share Convertible Bonds

Pursuant to the Proposal on the General Mandate Granted to the Board to Issue New Shares at the 2016 annual general meeting of the Company on 16 June 2017, the Board proposes to issue A Share Convertible Bonds under the aforesaid General Mandate with a total amount not exceeding RMB20 billion, details of which are set out in **Appendix I** to this circular.

This proposal is submitted to the Shareholders for their consideration and approval as a special resolution at the EGM.

3. Preliminary Plan of the Proposed Issuance of A Share Convertible Bonds

A special resolution will be proposed at the EGM to approve the preliminary plan of the Proposed Issuance of A Share Convertible Bonds, details of which are set out in **Appendix II** to this circular.

This proposal is submitted to the Shareholders for their consideration and approval as a special resolution at the EGM.

4. Feasibility Report on the Use of Proceeds Raised from the Proposed Issuance of A Share Convertible Bonds

The total amount of proceeds from the Proposed Issuance of A Share Convertible Bonds will not exceed RMB20 billion (inclusive), which will be used for the following projects after deducting the issuance expenses:

No.	**Item**	**Total investment made in projects** *(RMB' million)*	**Amount of proceeds to be used** *(RMB' million)*
1	Infrastructure investments	38,761	12,166
2.1	Purchase of engineering ships	2,462	2,462
2.2	Purchase of engineering mechanical equipment	5,372	5,372
	Total	**46,595**	**20,000**

If the net proceeds from the issuance are less than the amount of the proceeds proposed to be invested in the above projects, the Company will adjust and determine the final specific investment projects to be financed by the proceeds, order of priority and the specific investment amounts of each project based on the actual net proceeds and the priority of each project, and will make up the shortfall by utilizing the own funds of the Company or through other financing methods.

Before the receipt of the proceeds from the issuance of A Share Convertible Bonds, the Company will implement the projects using its own funds depending on the actual progress of the projects. Such capital will be replaced according to the relevant regulations upon the receipt of the proceeds. The Company has formulated the feasibility report on the use of proceeds raised from the Proposed Issuance of A Share Convertible Bonds, details of which are set out in **Appendix III** to this circular.

This proposal is submitted to the Shareholders for their consideration and approval as a special resolution at the EGM.

5. Dilution of Immediate Returns by the Proposed Issuance of A Share Convertible Bonds and the Remedial Measures to be Adopted

Pursuant to the relevant PRC regulatory requirements, such as the Several Opinions of the State Council on Further Promoting the Healthy Development of Capital Market (《國務院關於進一步促進資本市場健康發展的若干意見》) (Guo Fa [2014] No. 17), the Opinions of the General Office of the State Council on Further Strengthening the Protection of Small and Medium Investors' Legitimate Interests in Capital Market (《國務院辦公廳關於進一步加強資本市場中小投資合法權益保護工作的意見》) (Guo Ban Fa [2013] No. 110) and the Guiding Opinions on Matters Relating to the Dilution of Immediate Returns As a Result of Initial Public Offering, Refinancing and Major Asset Restructuring (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) (CSRC Announcement [2015] No. 31) published by CSRC, the Company has formulated the dilution of immediate returns by the Proposed Issuance of A Share Convertible Bonds and the remedial measures to be adopted, details of which are set out in **Appendix IV** to this circular.

This proposal is submitted to the Shareholders for their consideration and approval as a special resolution at the EGM.

6. Rules for A Share Convertible Bond Holders' Meeting

Pursuant to the relevant PRC regulatory requirements, such as the Company Law, the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Administrative Measures for the Issuance of Securities by Listed Companies (《上市公司證券發行管理辦法》) and the Shanghai Stock Exchange Share Listing Rules (《上海證券交易所股票上市規則》), the Company has formulated the rules for A Share Convertible Bond Holders' meeting, details of which are set out in **Appendix V** to this circular.

This proposal is submitted to the Shareholders for their consideration and approval as a special resolution at the EGM.

7. Proposal to General Meeting to Authorize the Board or its Authorized Persons to Manage the Matters Relating to the Proposed Issuance of A Share Convertible Bonds

To ensure legal and efficient implementation of the Proposed Issuance of A Share Convertible Bonds and determine the specific matters in relation to the A Share Convertible Bond Issuance Plan according to the conditions of the capital markets, it is proposed at the EGM to authorize the Board or its authorized persons to exercise the full power to handle matters related to the Proposed Issuance of A Share Convertible Bonds under the requirements of relevant laws and regulations, details of which are set out in **Appendix VI** to this circular.

This proposal is submitted to the Shareholders for their consideration and approval as a special resolution at the EGM.

8. Shareholders' Return Plan for Three Years of 2017 to 2019

Pursuant to the requirements of the Company Law, the Securities Law of the PRC (《中華人民共和國證券法》), the Notice of the China Securities Regulatory Commission on Further Implementing Matters Relevant to the Cash Dividend Distribution by Listed Companies (《中國證券監督管理委員會關於進一步落實上市公司現金分紅有關事項的通知》) (Zheng Jian Fa [2012] No. 37), the Guideline No. 3 on the Supervision and Administration of Listed Companies – Distribution of Cash Dividends of Listed Companies (《上市公司監管指引第3號 – 上市公司現金分紅》) and the Guideline on the Distribution of Cash Dividends of Listed Companies on Shanghai Stock Exchange (《上海證券交易所上市公司現金分紅指引》), as well as the Articles of Association, in order to further improve the Shareholders' return system, strengthen the decision transparency and practicability of the profit distribution policy and offer positive returns to Shareholders, the Company has formulated the Shareholders' return plan for three years of 2017 to 2019, details of which are set out in **Appendix VII** to this circular.

This proposal is submitted to the Shareholders for their consideration and approval as a special resolution at the EGM.

9. Possible Subscription for A Share Convertible Bonds by CCCG

Pursuant to the A Share Convertible Bond Issuance Plan, the existing A Shareholders are entitled to the pre-emptive rights to subscribe for the A Share Convertible Bonds to be issued on a pro rata basis. It will be proposed at the EGM to authorize the Board and its authorized persons to determine the actual amount to be preferentially allocated in accordance with the actual market conditions before the issuance, and shall be disclosed in the offering document of the A Share Convertible Bonds.

CCCG, as the controlling Shareholder, is entitled to the pre-emptive rights to subscribe for A Share Convertible Bonds under the A Share Convertible Bond Issuance Plan in proportion to its shareholding in A Shares.

The terms of the Possible Subscription for A Share Convertible Bonds by CCCG (other than the subscription amount) are same as the terms and conditions which are set out in **Appendix I**. Based on the maximum issuance size of the Proposed Issuance of A Share Convertible Bonds (i.e. RMB20 billion) and the shareholding percentage of CCCG in the A Shares of the Company as at Latest Practicable Date (i.e. 87.89%), assuming 100% of the A Share Convertible Bonds are preferentially allocated to the existing A Shareholders, the maximum subscription amount under the Possible Subscription for A Share Convertible Bonds by CCCG is RMB17.579 billion.

Other than CCCG, to the best knowledge of the Directors, none of the Company's connected persons is entitled to pre-emptively subscribe for the A Share Convertible Bonds under the A Share Convertible Bond Issuance Plan. Further, A Share Convertible Bonds which are not subject to the preferential subscription by the existing A Shareholders and are not subscribed by the existing A Shareholders within the preferential subscription will be offered to institution investors offline or issued by way of online pricing through the trading system of the Shanghai Stock Exchange, and the remaining balance will be underwritten by the underwriters. CCCG and its associates are not entitled to apply and/or subscribe for the remaining A Share Convertible Bonds (if any) through the abovementioned mechanism. As such, no A Share Convertible Bonds through online issuance and offline offering will be intended to be issued to the connected persons of the Company.

This proposal is submitted to Independent Shareholders for their consideration and approval as an ordinary resolution at the EGM.

10. Proposal to General Meeting to Authorize the Board to Consider and Decide the Provision of Performance Guarantee for the Overseas Subsidiaries of the Company to Perform and Implement Their Projects

The Company may provide performance guarantee with a reasonable cap and period for its overseas subsidiaries which have the capacity to perform contracts. An ordinary resolution will be proposed at the EGM to approve the authorization to the Board to consider and decide the provision of performance guarantee for the overseas subsidiaries of the Company to perform and implement their projects.

This proposal is submitted to the Shareholders for their consideration and approval as an ordinary resolution at the EGM.

11. Report on the Use of the Previously Raised Proceeds

Pursuant to the relevant PRC regulatory requirements, such as the Rules Concerning the Report on the Use of Proceeds from Previous Fundraising Activities (《關於前次募集資金使用情況報告的規定》), the Company has formulated the report on the use of the previously raised proceeds, details of which are set out in **Appendix VIII** to this circular.

This proposal is submitted to the Shareholders for their consideration and approval as a special resolution at the EGM.

12. Specific Self-inspection Report on the Real Estate Business

Pursuant to the relevant PRC regulatory requirements, such as the Notice of the General Office of the State Council on Further Improving Regulation and Control of the Real Estate Market (《國務院辦公廳關於繼續做好房地產市場調控工作的通知》) and the Adjustment to the Regulatory Policy on Refinancing, Merger, Acquisition and Reorganisation Involving Real Estate Business by Listed Companies issued by CSRC (《證監會調整上市公司再融資、併購重組涉及房地產業務監管政策》), the Company has conducted the specific self-inspection in respect of the real estate business of the Company and its subsidiaries (including those in the scope of consolidation) during the period from 1 January 2014 to 30 September 2017 and formulated the specific self-inspection report on the real estate business. Through self-inspection, it is considered that the Company and its subsidiaries were not subject to administrative penalties or investigation due to land idleness and speculation, deliberate withholding of properties from sale and raising housing prices during the period, details of which are set out in the **Appendix IX** to this circular.

This proposal is submitted to the Shareholders for their consideration and approval as an ordinary resolution at the EGM.

13. Undertaking on the Matters Relating to the Specific Self-inspection of the Real Estate Business Issued by the Controlling Shareholders, Directors, Supervisors and Senior Management of the Company

Pursuant to the relevant PRC regulatory requirements, such as the Adjustment to the Regulatory Policy on Refinancing, Merger, Acquisition and Reorganisation Involving Real Estate Business by Listed Companies issued by CSRC (《證監會調整上市公司再融資、併購重組涉及房地產業務監管政策》), each of CCCG, as the controlling Shareholder, and all the Directors, Supervisors and senior management of the Company has issued the undertaking letter on the matters relating to the specific self-inspection of the real estate business respectively, which indicates that they will bear any compensation liability accordingly if such violation of laws and regulations as undisclosed land idleness and speculation, deliberate withholding of properties from sale and raising housing prices by the Company and its subsidiaries during the period from 1 January 2014 to 30 September 2017, brings losses to the Company and investors.

This proposal is submitted to the Shareholders for their consideration and approval as an ordinary resolution at the EGM.

14. Re-election or Election of Directors

The term of office of the current session of the Board has expired according to the Articles of Association, thus the Board resolved to submit the proposals in relation to the re-election or election of the following persons as the members of the 4th Session of the Board for consideration and approval by way of separate ordinary resolutions by the Shareholders at the EGM.

Name	**Position in the Company**	**Proposals**
LIU Qitao	Executive Director	Re-elect to be an Executive Director
CHEN Fenjian	Executive Director	Re-elect to be an Executive Director
FU Junyuan	Executive Director	Re-elect to be an Executive Director
CHEN Yun	Vice President	Elect to be an Executive Director
LIU Maoxun	Non-executive Director	Re-elect to be a Non-executive Director
QI Xiaofei	–	Elect to be a Non-executive Director
HUANG Long	Independent Non-executive Director	Re-elect to be an Independent Non-executive Director
ZHENG Changhong	–	Elect to be an Independent Non-executive Director
NGAI Wai Fung	–	Elect to be an Independent Non-executive Director

The biographical details of the above proposed Directors (the "**Candidates for Directorship**") are set out in **Appendix X** to this circular.

All the candidates for the Independent Non-executive Directors have confirmed that they have met the independence criteria under Rule 3.13 of the Hong Kong Listing Rules. The Board has assessed their independence and believed that they have complied with the independence guidelines as set out in Rule 3.13 of the Hong Kong Listing Rules, and are independent under the terms of the guidelines.

Save as disclosed in **Appendix X**, no Candidate for Directorship has held any position with the Company or any of its subsidiaries and has not been a director or supervisor in any other listed companies in the past three years. In addition, except for those stated in this circular, no Candidate for Directorship has any relationship with any other Director, Supervisor, senior management, substantial Shareholder or controlling Shareholder of the Company. No Candidate for Directorship has any interest in the shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

The Candidates for Directorship will be re-elected or elected as Directors subject to approval by the Shareholders at the EGM, and their terms of office will be three years immediately effective upon the Shareholders' approval at the EGM. The 3rd Session of the Board will continue to perform the duties until the 4th Session of the Board is formed.

The emolument of the 4th session of the Board will be determined in accordance with the Articles of Association and the remuneration policy of the Company. Except for those stated in this circular, the Directors consider that there is no other information relating to the Candidates for Directorship to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules nor any matter which needs to be brought to the attention of the Shareholders.

Each of the proposals is submitted to the Shareholders for their consideration and approval as an ordinary resolution at the EGM.

15. Re-election or Election of Supervisors

The term of office of the current session of the Supervisory Committee has expired according to the Articles of Association, thus the Supervisory Committee resolved to submit the proposals for election or re-election of Mr. LI Sen and Mr. WANG Yongbin as the shareholder representative Supervisors of the 4th Session of the Supervisory Committee for consideration and approval by way of separate ordinary resolutions by the Shareholders at the EGM.

The biographical details of Mr. LI Sen and Mr. WANG Yongbin are set out in **Appendix X** to this circular.

Save as those disclosed in **Appendix X**, none of Mr. LI Sen or Mr. WANG Yongbin has held any position with the Company or any of its subsidiaries and has not been a director or supervisor in any other listed companies in the past three years. In addition, except for those stated in this circular, none of Mr. LI Sen or Mr. WANG Yongbin has any relationship with any other Director, Supervisor, senior management, substantial Shareholder or controlling Shareholder of the Company. None of Mr. LI Sen or Mr. WANG Yongbin has any interest in the shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. LI Sen and Mr. WANG Yongbin will be elected or re-elected as shareholder representative Supervisors subject to approval by the Shareholders at the EGM, and their term of office will be three years immediately effective upon the Shareholders' approval at the EGM. The 3rd Session of the Supervisory Committee will continue to perform the duties until the 4th Session of the Supervisory Committee is formed.

The emolument of the 4th session of the Supervisory Committee will be determined in accordance with Articles of Association and the remuneration policy of the Company.

Except for those stated in this circular, the Directors consider that there is no other information relating to Mr. LI Sen and Mr. WANG Yongbin to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules nor any matter which needs to be brought to the attention of the Shareholders.

Each of the proposals is submitted to the Shareholders for their consideration and approval as an ordinary resolution at the EGM.

16. Proposed Amendments to the Articles of Association

Pursuant to the relevant requirements in relation to incorporation of the requirements of Party construction work of central enterprises into the Articles of Association and the comprehensive promotion of the construction of legal corporate governance for central enterprises of SASAC as well as the relevant requirements recently promulgated by the CSRC, the stock exchange where the Company's shares are listed on and the competent state authorities, with reference to the actual conditions of the Company, the Board proposes to make amendments to the relevant articles in the Articles of Association based on a prudent, appropriate and necessary principle, details of which are set out in **Appendix XI** to this circular.

This proposal is submitted to the Shareholders for their consideration and approval as a special resolution at the EGM.

III. OTHER INFORMATION RELATING TO THE PROPOSED ISSUANCE OF A SHARE CONVERTIBLE BONDS AND THE POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE BONDS BY CCCG

1. Implications of the Proposed Issuance of A Share Convertible Bonds and the Possible Subscription for A Share Convertible Bonds under the PRC Regulatory Requirements

The A Share Convertible Bonds to be issued by the Company may lead to the issuance of new A Shares upon the exercise of the conversion rights of A Share Convertible Bonds, the actual number of which depends on a number of factors, including the conversion price of the A Share Convertible Bonds. The Board considers that the conversion of A Share Convertible Bonds into new A Shares will increase the total share capital of the Company and hence dilute the Company's return on equity ("**ROE**") and earnings per Share ("**EPS**").

According to the Articles of Association and the relevant PRC laws and regulations, the Proposed Issuance of A Share Convertible Bonds shall be subject to, among others, the Shareholders' approval at the EGM and the approvals from relevant PRC regulatory authorities.

2. Implications of the Proposed Issuance of A Share Convertible Bonds and the Possible Subscription for A Share Convertible Bonds under the Hong Kong Regulatory Requirements

It is proposed that new A Shares to be issued upon the conversion of the A Share Convertible Bonds will be issued under the General Mandate.

CCCG, which holds 87.89% of the A Shares and 63.84% of the Shares of the Company as at the Latest Practicable Date, is a connected person of the Company under the Hong Kong Listing Rules. The Possible Subscription for A Share Convertible Bonds therefore constitutes a connected transaction under Chapter 14A of the Hong Kong Listing Rules and is subject to the requirements of reporting, announcement and approval by the Independent Shareholders. All existing A Shareholders are entitled to pre-emptively subscribe for A Share Convertible Bonds on a pro rata basis. No Shareholder can enjoy any privilege in the capacity of connected persons of the Company.

Mr. Liu Qitao and Mr. Chen Fenjian are both the directors of CCCG. Therefore, they are deemed to have material interests in the Possible Subscription for A Share Convertible Bonds and have abstained from voting on the relevant resolution. Save for the above, no Directors are interested or deemed to have material interests in the above transaction. In addition, no Directors have abstained from voting on the other resolutions as set out in this circular.

The Board expects that the Company will maintain sufficient public float to meet the applicable minimum requirement under the Hong Kong Listing Rules. For details, please refer to the table in paragraph 4 below.

3. Recent Equity Fund Raising Activities in the Past Twelve Months

The Company did not conduct any equity fund raising activities in the past twelve months immediately before the Last Practicable Date.

4. Effect on the Shareholding Structure of the Company

Pursuant to the A Share Convertible Bond Issuance Plan, the initial conversion price of A Share Convertible Bonds shall not be lower than (i) the average trading price of A Shares for the 20 trading days preceding the date of publication of the offering document (in the event that during such 20 trading days, the share price has been adjusted due to ex-rights or ex-dividend, the price of each of these trading days before adjustment shall be adjusted with reference to the adjusted share price following the ex-rights or ex-dividend events); (ii) the average trading price of A Shares on the trading day preceding the date of the offering document; and (iii) the latest audited net asset value per Share and the nominal value per Share. The actual initial conversion price shall be determined by the Board and its authorized persons upon negotiation with the sponsor (lead underwriter) in accordance with the market conditions, which is subject to the authorization by the Shareholders at the EGM. The above complies with the principle for determining the initial conversion price stated in the relevant PRC laws and regulations.

For reference only and to illustrate the pricing mechanism, assuming the initial conversion price is being on the Latest Practicable Date, according to the pricing mechanism described above, the average trading price of A Shares for the 20 trading days preceding the Latest Practicable Date is RMB15.28 per Share, the average trading price of A Shares on the trading day preceding the Latest Practicable Date is RMB15.36 per Share, and the latest audited net asset value per Share (i.e. the audited net asset value per Share as of 31 December 2016) is RMB9.87 per Share. Therefore, the minimum initial conversion price on the Latest Practicable Date is RMB15.36 per Share, of which it is the highest amount among RMB15.28 per Share, RMB15.36 per Share and RMB9.87 per Share. For the avoidance of doubt, the actual initial conversion price shall be determined by the Board and its authorized persons before issuance, and the minimum initial conversion price on the Latest Practicable Date is a theoretical price determined according to the pricing mechanism, which is for illustration purpose only. Using the minimum initial conversion price of RMB15.36 per Share and given the total size of A Share Convertible Bonds will not be more than RMB20 billion, the maximum number of A Shares to be converted would be 1.302 billion A Shares.

The shareholding structure of the Company as at the Latest Practicable Date and upon the completion of the Proposed Issuance of A Share Convertible Bonds (assuming (i) an offering of RMB20 billion A Share Convertible Bonds; (ii) at the minimum initial conversion price of RMB15.36 per Share; (iii) the full exercise of the pre-emptive rights of CCCG (i.e. a subscription of 87.89% of the total offering, which is in proportion to its current shareholding percentage in the Company's A Shares); and (iv) the full conversion of the A Share Convertible Bonds into A Shares) is as follows:

	(i) As at the Latest Practicable Date		(ii) immediately after the completion of the Proposed Issuance of A Share Convertible Bonds	
Name of Shareholder	**Number of Shares**	**As a percentage of total issued Shares**	**Number of Shares**	**As a percentage of total issued Shares**
A Shares				
Non-public				
CCCG	10,325,207,306	63.84%	11,469,539,258	65.63%
Public				
Total issued A Shares held by the public Shareholders	1,422,028,119	8.79%	1,579,630,012	9.04%
Total issued A Shares	11,747,235,425	72.63%	13,049,169,270	74.67%
H Shares				
Public				
Total issued H Shares held by the public Shareholders	4,427,500,000	27.37%	4,427,500,000	25.33%
Total issued H Shares	4,427,500,000	27.37%	4,427,500,000	25.33%
Total issued Shares	16,174,735,425	100%	17,476,669,270	100%

The conversion price is subject to adjustment upon the occurrence of events such as distribution of share dividends, capitalization, issuance of new shares or rights issue (excluding any increase in the share capital as a result of conversion of the A Share Convertible Bonds) or the occurrence of distribution of cash dividends or where the creditor's interests or the interests derived from the share conversion of the A Share Convertible Bonds are affected. Upon occurrence of any of the abovementioned changes in Shares and/or Shareholder's interests, the Company will adjust the conversion price in accordance with the methods determined, and an announcement in relation to the adjustment of the conversion price shall be made on the media designated by the CSRC for information disclosure of listed companies. Please also refer to the sections headed "8. Determination and adjustment of the conversion price" and "9. Terms of downward adjustment to conversion price" on pages 58 to 60 in **Appendix I** of this circular for details on the calculation of interests.

5. Reasons and Benefits for the Proposed Issuance of A Share Convertible Bonds and the Possible Subscription for A Share Convertible Bonds

The Directors believe that following the completion of the Proposed Issuance of A Share Convertible Bonds (including the Possible Subscription for A Share Convertible Bonds by CCCG), the Company will further expand its net assets, enhance its ability to resist risks, and consolidate the capital foundation for the sustainable development of its various business lines, which is beneficial to the Company's core competitiveness building-up and strategic objective achievement.

In recent years, the Company has maintained its fast pace of business development with abundant business reserves and increasing number of deals. Following the Company's strategic transformation, the financial demands grew and asset-liability ratio rose, which has risen the debt financing costs and will be detrimental to the future development of the Company. Therefore, the Company is required to improve its capital structure through equity type financing, such as the issuance of A Share Convertible Bonds.

Convertible bonds, as a financing instrument combining the characteristics of both shares and debts, have a long conversion period, thus being more acceptable to the investors and a more realistic choice for the Company to replenish its capital. In addition, investors are better able to benefit from their investments in convertible bonds than other equity financing tools because, with convertible bonds, the investors have the flexibility to control the timing of the conversion and profit when share prices rise above the conversion price.

When the convertible bonds are issued, the Company will pay the coupon in the short term. However, since the interest rate of the convertible bonds is comparably low, the issuance could hardly increase the Company's financial costs. After the conversion of the convertible bonds, the Company will further reduce its asset-liability ratio, improving its capital structure, enhancing its capital operation efficiency, effectively alleviating its financial cost pressures, and further releasing its growth potential. Meanwhile, the Proposed Issuance of Convertible Bonds will also help the Company to raise funds to support its major businesses, including the infrastructure investment projects and relevant equipment purchase, which will in turn enhance the Company's overall efficiency and profitability.

In addition, the Possible Subscription for A Share Convertible Bonds by CCCG also demonstrates the confidence CCCG places in the Company and its support to the development of the Company's business, which is conducive to enhancing the market image of the Company and stabilizing the trading price of the Company's Shares.

6. Internal Control Measures

To ensure other members of the Board, namely the non-executive Director and independent non-executive Directors who do not have any connected relationship with CCCG, to promptly know the specific terms of the Proposed Issuance of A Share Convertible Bonds, the Director team comprising of Mr. Liu Qitao, Mr. Chen Fenjian and Mr. Fu Junyuan will report to them upon negotiation with the sponsor (the lead underwriter) in relation to the terms of the Proposed Issuance of A Share Convertible Bonds, including but not limited to the conversion price, interest rate, and maturity date. The Company will implement the A Share Convertible Bond Issuance Plan upon the approval of other members of the Board.

7. Regulatory Procedures in relation to the Proposed Issuance of A Share Convertible Bonds

Before the EGM, CCCG shall obtain the approval from SASAC. Meanwhile, after the approval of the Proposed Issuance of A Share Convertible Bonds by the EGM, the A Share Convertible Bond Issuance Plan together with supporting documents will be submitted to CSRC for review and approval.

After obtaining the approvals from all relevant PRC regulatory authorities, the Company will issue the A Share Convertible Bonds subject to the market window.

Within the 6 months effective period of the CSRC approval, the Board of the Company will discuss and determine the detailed terms of the Proposed Issuance of A Share Convertible Bonds with the sponsor (the lead underwriter), including shares conversion price and the number of bonds to be subscribed by existing A Shareholders. The Company will publish an announcement immediately following the issuance. If CCCG exercises its pre-emptive rights to subscribe for any A Share Convertible Bonds described under the subsection headed "9. Possible Subscription for A Share Convertible Bonds by CCCG" of Section II of this letter in its capacity as the existing A Shareholder of the Company, the Company will fully comply with the applicable connected transaction announcement disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

The A Share Convertible Bond Issuance Plan shall be valid for 12 months from the date on which the resolution is approved at the EGM. In the event that the Proposed Issuance of A Share Convertible Bonds has not been completed within 12 months after such date, the Company will resubmit the resolutions to the general meeting for consideration and approval in respect of the new validity term of A Share Convertible Bond Issuance Plan and authorization period, which shall be a 12 months period after the approval at such general meeting.

8. General Information

(1) The Company

The Company is a leading transportation infrastructure group in the PRC, primarily engaged in providing various customers in all parts of the world with integrated solutions services for transportation infrastructure projects in the areas of investment, design, construction, operation and management.

(2) CCCG

CCCG is a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company, holding approximately 63.84% interest in the Company as at the Latest Practicable Date. CCCG is primarily engaged in real estate development and property management, shipbuilding, ship chartering and maintenance, ocean engineering, technique consulting services for ships and corollary equipment of harbours, import and export business, investment in and management of transportation industry, and other businesses.

IV. RECOMMENDATION

The Board has passed the relevant resolutions of the proposals to be submitted to the Shareholders for consideration and approval. At such board meeting, Mr. Liu Qitao and Mr. Chen Fenjian are both the directors of CCCG. Therefore, they are deemed to have material interests in the Possible Subscription for A Share Convertible Bonds and have abstained from voting on the relevant resolution. Save for the above, no Directors are interested or deemed to have material interests in the above transaction. In addition, no Directors have abstained from voting on the other resolutions as set out in this circular.

The Board considers that the aforementioned proposals are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions at the EGM.

V. EGM

The EGM will be held for the purpose of considering and, if thought fit, seeking approvals by the Shareholders on (i) the satisfaction of the conditions of the public issuance of A Share Convertible Bonds; (ii) the Proposed Issuance of A Share Convertible Bonds; (iii) the preliminary plan of the Proposed Issuance of A Share Convertible Bonds; (iv) the feasibility report on the use of proceeds raised from the Proposed Issuance of A Share Convertible Bonds; (v) the dilution of immediate returns by the Proposed Issuance of A Share Convertible Bonds and the remedial measures to be adopted; (vi) rules for A Share Convertible Bond Holders' meeting; (vii) the proposal to general meeting to authorize the Board or its authorized persons to manage the matters relating to the Proposed Issuance of A Share Convertible Bonds; (viii) the Shareholders' return plan for three years of 2017 to 2019; (ix) the connected transaction in relation to the Possible Subscription for A Share Convertible Bonds by CCCG; (x) the proposal to general meeting to authorize the Board to consider and decide the provision of performance guarantee for the overseas subsidiaries of the Company to perform and implement their projects; (xi) the report on the use of the previously raised proceeds; (xii) the specific self-inspection report on the real estate business; (xiii) the undertaking on the matters relating to the specific self-inspection of the real estate business issued by the controlling Shareholders, Directors, Supervisors and senior management of the Company; (xiv) the proposed re-election or election of members of the 4th session of the Board; (xv) the proposed re-election or election of shareholder representative Supervisors of the 4th session of the supervisory committee of the Company; and (xvi) the proposed amendments to the Articles of Association.

CCCG, which holds 87.89% of A Shares and 63.84% of Shares of the Company as at the Latest Practicable Date, shall abstain from voting on the resolution approving the Possible Subscription for A Share Convertible Bonds at the EGM. Save as mentioned above, to the best of the Directors' knowledge, information and belief, none of the other Shareholders has any material interest in the Possible Subscription for A Share Convertible Bonds and therefore will be required to abstain from voting on the resolution approving the Possible Subscription for A Share Convertible Bonds at the EGM. In addition, to the best of the Directors' knowledge, information and belief, none of the Shareholders will be required to abstain from voting on the other resolutions as set out in this circular.

The EGM of the Company will be held as originally scheduled at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC at 2:00 p.m. on 22 November 2017. The supplemental notice, which should be read together with the notice of the EGM dated 26 September 2017, is set out on pages 53 to 55 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed Revised Proxy Form in accordance with the instructions printed thereon not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof (i.e. before 2:00 p.m. on Tuesday, 21 November 2017). Completion and return of the Revised Proxy Form will not preclude you as a Shareholder from attending and voting in person at the EGM or at any adjourned meeting should you so wish.

A Shareholder who has not yet completed and returned the Original Proxy Form is required to complete and return the Revised Proxy Form if you wish to appoint a proxy to attend the EGM. In this case, the Original Proxy Form shall not be returned.

A Shareholder who has already completed and returned the Original Proxy Form properly should note that:

(a) if the Revised Proxy Form is not completed and returned properly or if the Revised Proxy Form is returned later than 24 hours before the time appointed for holding the EGM, the Original Proxy Form will be treated as a valid proxy form returned by you if it is correctly completed and returned. The proxy so appointed by you will be entitled to vote at his or her discretion or to abstain from voting on the resolutions duly put to the EGM as indicated in this circular; and

(b) if the Revised Proxy Form is completed and returned 24 hours before the time appointed for holding the EGM, the Revised Proxy Form will revoke and supersede the Original Proxy Form previously returned by you. The Revised Proxy Form will be treated as a valid proxy form returned by you if it is correctly completed.

VI. ADDITIONAL INFORMATION

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the independent Shareholders on the Possible Subscription for A Share Convertible Bonds. Somerley, the independent financial adviser, has been appointed in accordance with the Hong Kong Listing Rules to advise the Independent Board Committee and the Independent Shareholders on the Possible Subscription for A Share Convertible Bonds. Your attention is also drawn to the letter from the Independent Board Committee set out in pages 23 to 24, the letter from Somerley set out in pages 25 to 52 and other information set out in the appendices to this circular.

By order of the Board
China Communications Construction Company Limited
Liu Wensheng
Company Secretary

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)

3 November 2017

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION: POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE BONDS BY CCCG

Reference is made to the circular of the Company dated 3 November 2017 (the "**Circular**"). Unless the content otherwise requires, capitalized terms used in this letter shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as the Independent Board Committee for the purpose of providing you with our opinion as to whether the Possible Subscription for A Share Convertible Bonds by CCCG is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Somerley has been appointed by the Company as the Independent Financial Adviser to advise you and us in this respect. Details of its recommendation, together with the principal factors and reasons it has taken into consideration in arriving at its recommendation are set out in the letter from Somerley set out on pages 25 to 52 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 5 to 22 of the Circular. Having taken into consideration the information contained in the letter from the Board, the interests of Independent Shareholders and the advice and recommendation of Somerley, we consider that the Possible Subscription for A Share Convertible Bonds by CCCG is on normal commercial terms and fair and reasonable, although not conducted in the ordinary and usual course of business of the Group due to the nature of such transaction, is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend that the Independent Shareholders vote in favor of the resolution in relation to the Possible Subscription for A Share Convertible Bonds by CCCG at the EGM.

Yours faithfully
For and on behalf of
the Independent Board Committee of
China Communications Construction Company Limited

LIU Zhangmin	**LEUNG Chong Shun**	**HUANG Long**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*

Set out below is the letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders in respect of the Possible Subscription for A Share Convertible Bonds by CCCG, which has been prepared for the purpose of inclusion in this circular.

SOMERLEY CAPITAL LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong

3 November 2017

To: The Independent Board Committee and the Independent Shareholders of China Communications Construction Company Limited

Dear Sirs,

**CONNECTED TRANSACTION:
POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE BONDS BY CCCG**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Possible Subscription for A Share Convertible Bonds by CCCG. Details of the A Share Convertible Bond Issuance Plan are set out in the circular issued by the Company to the Shareholders dated 3 November 2017 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

Pursuant to the General Mandate granted to the Board to issue new Shares at the 2016 annual general meeting of the Company on 16 June 2017, the issuance of each of the A Shares and/or H Shares of the Company shall not exceed 20% of the number of the respective A Shares and/or H Shares as at the date which the relevant resolutions were approved. The Board proposes to issue A Share Convertible Bonds under the aforesaid General Mandate with a total amount not exceeding RMB20 billion.

All existing ordinary A Shareholders are entitled to pre-emptive rights to subscribe for the A Share Convertible Bonds to be issued on a pro rata basis. It will be proposed at the EGM to authorise the Board and its authorised persons to determine the actual amount to be preferentially allocated in accordance with the actual market conditions before the issuance, and shall be disclosed in the offering document of the A Share Convertible Bonds. CCCG, as an existing A Shares Shareholder, is accordingly entitled to the pre-emptive rights to subscribe for A Share Convertible Bonds under the A Share Convertible Bond Issuance Plan in proportion to its shareholding in A Shares. Based on the maximum issuance size of the Proposed Issuance of A Share Convertible Bonds (i.e. RMB20 billion) and the shareholding percentage of CCCG in the A Shares of the Company as at the Latest Practicable Date (i.e. approximately 87.89%), the maximum subscription amount under the Possible Subscription for A Share Convertible Bonds by CCCG shall be approximately RMB17.579 billion.

CCCG is the controlling shareholder of the Company holding approximately 63.84% interest of the Company as at the Latest Practicable Date. It is therefore a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. As such, the Possible Subscription for A Share Convertible Bonds by CCCG constitutes a connected transaction for the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under the Hong Kong Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Liu Zhangmin, Mr. Leung Chong Shun and Mr. Huang Long, has been established to advise the Independent Shareholders on the terms of the Possible Subscription for A Share Convertible Bonds by CCCG and to make a recommendation as to voting. We, Somerley Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

We are not associated with the Company, CCCG or their respective core connected persons, close associates or associates and accordingly are considered eligible to give independent advice on the above matters. Apart from normal professional fees payable to us in connection with this or similar appointments, no arrangement exists whereby we will receive any fees or benefits from the Company, CCCG or their respective core connected persons, close associates or associates.

In formulating our opinion, we have reviewed, among other things, the proposal in relation to the Proposed Issuance of A Share Convertible Bonds, the interim report of the Company for the six months ended 30 June 2017 (the "**2017 Interim Report**"), the annual reports of the Company for the years ended 31 December 2016 (the "**2016 Annual Report**") and 31 December 2015, the announcement of the Company in relation to the Proposed Issuance of A Share Convertible Bonds and the Possible Subscription for A Share Convertible Bonds by CCCG dated 26 September 2017 (the "**Announcement**") and the information as set out in the Circular. We have also discussed with the management of the Group regarding the use of proceeds raised from the Proposed Issuance of A Share Convertible Bonds.

We have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group and have assumed that they are true, accurate and complete. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to believe that any material information has been withheld from us, or to doubt the truth or accuracy of the information provided. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation, we have considered the principal factors and reasons set out below:

1. Information of the Group

(a) Business

The Company was initiated and founded by CCCG. The Company's H Shares (stock code: 1800) were listed on the Main Board of the Hong Kong Stock Exchange in 2006. The Company's A Shares (stock code: 601800) were listed on the Shanghai Stock Exchange in 2012.

The Group's principal business includes primarily infrastructure construction, infrastructure design, dredging, manufacturing of heavy machinery and other business. The infrastructure construction operation is the major contributor to the Group's revenue and profits. The infrastructure construction operation includes infrastructure construction of ports, roads, bridges and railways in the PRC and other regions (including countries in Africa, South East Asia, Australia and Middle East). The infrastructure construction operation is the core business segment of the Group, accounting for more than 80% of the total revenue for the year ended 31 December 2016 and for the six months ended 30 June 2017. The infrastructure design operation represents infrastructure design of ports, roads and bridges. The dredging operation includes capital dredging, maintenance dredging, environmental dredging and reclamation and related supporting projects. The heavy machinery operation comprises research and development and manufacture of products such as container cranes, loading/unloading machinery, marine engineering equipment, heavy-duty steel structure and road construction machinery. In September 2017, the shareholders of the Company approved the disposal of 29.99% of equity interest in Shanghai Zhenhua Heavy Industries Co., Ltd. (the "**Disposal**"), which represents the heavy machinery operation of the Company, to CCCG at a consideration of approximately RMB5,716.4 million, subject to the relevant approvals from the state-owned asset supervision and administration authorities. Upon the Disposal, the results of the heavy machinery segment will no longer be consolidated into the Company's financial statements.

(b) Financial information

Set out in the table below is a summary of the Group's financial performance for the six months ended 30 June 2017 and 30 June 2016 and the three years ended 31 December 2016, 2015 and 2014.

	For the six months ended 30 June		**For the year ended 31 December**		
	2017	**2016**	**2016**	**2015**	**2014**
	(RMB million)	*(RMB million)*	*(RMB million)*	*(RMB million)*	*(RMB million)*
Revenue	189,280	182,313	429,972	403,616	366,042
Operating profit	14,650	13,246	31,124	25,798	23,785
Profit attributable to the ordinary equity holders of the Company	7,868	7,258	17,210	15,828	13,985

As shown above, revenue of the Group recorded an increase from approximately RMB366,042 million for the year ended 31 December 2014 to approximately RMB429,972 million for the year ended 31 December 2016, representing a compound annual growth rate ("**CAGR**") of approximately 8.4%. Revenue of the Group for the six months ended 30 June 2017 was approximately RMB189,280 million, representing an increase of approximately RMB6,967 million or approximately 3.8% compared with that for the six months ended 30 June 2016. The revenue growth was mainly attributable to the rise in revenue from overseas projects, Public-Private-Partnership ("**PPP**") projects and domestic road and bridge construction projects. Accordingly, profit attributable to the ordinary equity holders of the Company increased from approximately RMB13,985 million for the year ended 31 December 2014 to approximately RMB17,210 million for the year ended 31 December 2016, representing a CAGR of approximately 10.9%. Profit attributable to the ordinary equity holders of the Company for the six months ended 30 June 2017 was approximately RMB7,868 million, representing an increase of approximately 8.4% compared with that for the six months ended 30 June 2016.

While the Group recorded increases in both revenue and profit in recent years, the demand for the Group's services continued to be strong. The value of new contracts entered into by the Group for the six months ended 30 June 2017 was approximately RMB431,240 million, representing an increase of approximately RMB147,445 million or approximately 52.0% compared to that in the corresponding period in 2016. Furthermore, as set out in the 2017 Interim Report, the backlog of the Group as at 30 June 2017 was approximately RMB1,329,864 million, representing an increase of approximately 20.9% compared with that as at 31 December 2016.

Set out below is a summary of the financial position of the Group as at 30 June 2017, 31 December 2016, 2015 and 2014.

	As at 30 June 2017 *(RMB million)*	As at 31 December 2016 *(RMB million)*	2015 *(RMB million)*	2014 *(RMB million)*
ASSETS				
Non-current assets				
Intangible assets	155,322	143,380	141,345	90,378
Property, plant and equipment	67,412	66,775	67,973	63,377
Trade and other receivables	100,609	95,558	77,816	75,902
Others	64,534	58,223	51,441	45,594
	387,877	363,936	338,575	275,251
Current assets				
Trade and other receivables	202,192	190,485	167,914	150,734
Cash and cash equivalents	100,608	108,720	94,960	71,823
Others	166,924	137,941	129,864	132,372
	469,724	437,146	392,738	354,929
Total assets	857,601	801,082	731,313	630,180
LIABILITIES				
Current liabilities				
Trade and other payables	324,659	292,990	257,379	224,617
Bank and other borrowings	106,363	99,484	86,605	91,034
Others	27,712	31,480	29,096	23,645
	458,734	423,954	373,080	339,296
Net current assets	10,990	13,192	19,658	15,633

	As at 30 June 2017 (RMB million)	As at 31 December 2016 (RMB million)	2015 (RMB million)	2014 (RMB million)
Non-current liabilities				
Bank and other borrowings	185,814	173,996	168,578	137,801
Others	18,281	16,562	20,649	21,471
	204,095	190,558	189,227	159,272
Net assets	194,772	186,570	169,006	131,612
EQUITY				
Capital and reserves attributable to the ordinary equity holders of the Company	148,440	139,892	127,293	111,545
Financial instruments classified as equity	19,431	19,431	19,431	4,986
Non-controlling interests	26,901	27,247	22,282	15,081
	194,772	186,570	169,006	131,612

As at 30 June 2017, total assets of the Group were approximately RMB857,601 million, representing an increase of approximately 7.1% from that as at 31 December 2016. The Group had a significant portion of intangible assets, around 18.1% of its total assets as at 30 June 2017, which represented the assets under "Build-Operate-Transfer" service concession arrangements of toll roads in Mainland China.

The Group maintained an active participation in investment projects. According to the 2017 Interim Report, the Group's entered into 17 new investment projects during the six months ended 30 June 2017 with expected construction cost and installation cost of approximately RMB36,861 million. Also, the Group had 26 concession projects under development with outstanding investment value (i.e. the total investment budget estimated by the Company less the accumulated investment value) of approximately RMB202,954 million.

The Group's operation was largely financed by bank and other borrowings and, in a lesser extent, the Shareholders' equity. As at 30 June 2017, the total bank and other borrowings were approximately RMB292,177 million, of which approximately RMB106,363 million or approximately 36.4% were due within one year. The gearing ratio as at 30 June 2017, calculated as net debt (i.e. total borrowings less cash and cash equivalents) divided by total capital (i.e. total equity plus net debt), was approximately 49.6%, representing an increase of approximately 2.7% compared to that of approximately 46.9% as at 31 December 2016. In addition, the total liabilities to total assets as at 30 June 2017 was approximately 77.3%, representing an increase of approximately 0.6% compared with that as at 31 December 2016 of approximately 76.7%. As at 30 June 2017, while the Group maintained a net current asset position of approximately RMB10,990 million and a current ratio of 1.02, both parameters were the lowest during the last three and a half years.

Net asset value ("**NAV**") attributable to the ordinary equity holders of the Company was approximately RMB148,440 million as at 30 June 2017, representing an increase of approximately 6.1% from that as at 31 December 2016.

2. Information of CCCG

CCCG is a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company, holding approximately 63.84% interest in the Company as at the Latest Practicable Date. CCCG is primarily engaged in real estate development and property management, shipbuilding, ship chartering and maintenance, ocean engineering, technique consulting services for ships and corollary equipment of harbours, import and export business, investment in and management of transportation industry, and other businesses.

3. Reasons for and benefits of the Proposed Issuance of A Share Convertible Bonds and the Proposed Subscription of A Share Convertible Bonds by CCCG

(a) Reasons for and benefits of the Proposed Issuance of A Share Convertible Bonds

As set out in the letter from the Board in the Circular, the Directors believe that following the completion of the Proposed Issuance of A Share Convertible Bonds (including the Possible Subscription for A Share Convertible Bonds by CCCG), the Company will further expand its net assets, enhance its ability to resist risks, and consolidate the capital foundation for the sustainable development of its various business lines, which is beneficial to the Company's core competitiveness building-up and strategic objective achievement.

Moreover, the Group has identified several favourable factors which could foster the demand for the infrastructure business of the Group. Details of each of these factors are set out in the section headed "II. The necessity and feasibility of project implementation" in Appendix III to the Circular. Also, as set out in section headed "III. The particulars of the use of proceeds towards the investment projects" in Appendix III to the Circular, six infrastructure investment projects with a total investment amount of approximately RMB38,760.6 million have been awarded to the Group. It is currently expected that part of the proceeds from the Proposed Issuance of A Share Convertible Bonds amounting to approximately 12,165.5 million will be applied to these six projects. The remaining balance of the proceeds of approximately 7,834.5 million will be used to fund the purchases of engineering ships and engineering mechanical equipment. With the rapid increase in number of infrastructure projects available and already undertaken by the Group and the objective to enhance the operation capacity of the Group, it is expected that additional funding is required to cope with the financing requirements of these infrastructure projects and expanding operation capacity.

The Possible Subscription for A Share Convertible Bonds by CCCG also demonstrates the confidence CCCG places in the Company and its support to the development of the Company's business, which is conducive to enhancing the market image of the Company and stabilising the trading price of shares of the Company.

Further details of the reasons for and benefits of the Proposed Issuance of A Share Convertible Bonds are set out in the section headed "5. Reasons and benefits for the Proposed Issuance of A Share Convertible Bonds and the Possible Subscription of A Share Convertible Bonds" in the letter from the Board in the Circular and the section headed "II. The necessity and feasibility of project implementation" in Appendix III to the Circular.

Having considered the above, we concur with the management of the Group to leverage on favourable market conditions and the Company's expertise to expand the business scale and lay solid foundation for the long-term business development of the Group and to obtain additional funding to cope with the expansion of business.

(b) Use of proceeds

As set out in Appendices II and III to the Circular, the net proceeds of the Proposed Issuance of A Share Convertible Bonds is intended to be used for, among others, (i) as to approximately RMB12.2 billion in investment in infrastructure construction business in Guangxi, Xinjiang, Wuhan, Wenzhou, Chongqing and Fuzhou with total estimated investment value of approximately RMB38.8 billion; and (ii) as to approximately RMB7.8 billion in purchasing the engineering ships and engineering mechanical equipment to develop the infrastructure construction business.

As noted above, despite the Group possessed cash and cash equivalents of approximately RMB100.6 billion as at 30 June 2017, we are advised by the management of the Group that the cash of the Group is substantially committed to support its daily production and operation. In addition, the Group recorded net cash used in operating activities and investing activities for the year ended 31 December 2016 and for the six months ended 30 June 2017 of approximately RMB9.0 billion and RMB22.3 billion respectively. Furthermore, the net current assets of the Group reduced from approximately RMB19.7 billion as at 31 December 2015 to approximately RMB13.2 billion as at 31 December 2016 and further dropped to approximately RMB11.0 billion as at 30 June 2017. The current ratio of the Group as at 30 June 2017 was merely 1.02 times. Having considered: (i) the cash needed to sustain the Group's existing operation and investment projects, including the significant growth in the value of new contracts entered into by the Group; (ii) the existing low liquidity of the Group; and (iii) the intention to enter new investment projects in infrastructure construction business and further development of the infrastructure construction business, it is considered reasonable to obtain additional funding to finance the Group's future development.

(c) Financing alternatives

As advised by the management of the Group, apart from the Proposed Issuance of A Share Convertible Bonds, they have explored various fund raising alternatives.

Fund raising by way of new share placement will create immediate dilution on the existing Shareholders. It is also common that the investors will request for a discount of the new share placement price to the prevailing market price of the Shares, whereas the initial conversion price of the A Share Convertible Bonds (to be determined based on the pricing formula under the A Share Convertible Bond Issuance Plan) is expected to be a significant premium (based on the A Share price as at the Latest Practicable Date) over the prevailing market price of the H Shares. Fund raising through rights issue or open offer has similar issue as new share placement and it may also attract a higher transaction cost (such as underwriting and other fees) and dilution effect on those non-participating Shareholders will usually be greater as compared to new share placement and issue of convertibles. On the other hand, fund raising by way of issuing the A Share Convertible Bonds incurs lower transaction cost and is more effective given the higher market price of the A Shares and there will be less dilutive effect on the non-participating Shareholders.

The management of the Group have also considered the possibility of obtaining new banking facilities on top of the existing bank and other borrowings. However, debt financing by bank loan and other borrowings methods will usually incur higher interest expense as compared to convertible bonds given the potential upside offered by convertible bonds. As advised by the management of the Group, the interest rate of the available bank loan of the Company is expected to be significantly higher than the coupon rate of convertible bonds.

Issuing H Shares convertibles has also been explored but it was considered less desirable given (i) the prevailing market price of H Shares has been substantially lower than that of A Shares; and (ii) the intended use of proceeds of the Proposed Issuance of A Share Convertible Bonds is investing in projects in the PRC which are denominated in RMB.

Having considered the advantages and disadvantages of equity financing and debt financing alternatives to issuing convertible bonds, we concur with the management of the Group that the Proposed Issuance of the A Share Convertible Bonds is acceptable and that, after taking into account our other analysis as set out in this letter, the Proposed Issuance of the A Share Convertible Bonds is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. Principal terms of the Proposed Issuance of A Share Convertible Bonds

Set out below are the principal terms of the Proposed Issuance of A Share Convertible Bonds:

(i) Type of securities to be issued

The type of the securities to be issued is convertible bonds which can be converted into the A Shares. The A Share Convertible Bonds and the A Shares to be converted will be listed on the Shanghai Stock Exchange.

(ii) Size of issuance

The total amount of the A Share Convertible Bonds proposed to be issued will not exceed RMB20 billion (inclusive). The actual size of the issuance shall be determined by the Board and its authorised persons within the above range, subject to the authorisation by the Shareholders at the EGM.

(iii) Par value and issue price

A Share Convertible Bonds will be issued at par with a nominal value of RMB100 each.

(iv) Term

The term of A Share Convertible Bonds will be six years from the date of the issuance.

(v) Interest rate

The Board proposes to the Shareholders at the EGM to authorise the Board and its authorised persons to determine the method for determination of nominal interest rate and the final interest rate for the interest accrual year upon negotiation with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the actual conditions of the Company, prior to the Proposed Issuance of A Share Convertible Bonds.

To ensure other members of the Board, namely the non-executive Director and independent non-executive Directors who do not have any connected relationship with CCCG, to promptly know the specific terms of the Proposed Issuance of A Share Convertible Bonds, the Director team comprising of Mr. Liu Qitao, Mr. Chen Fenjian and Mr. Fu Junyuan will report to them upon negotiation with the sponsor (the lead underwriter) in relation to the terms of the Proposed Issuance of A Share Convertible Bonds, including but not limited to the conversion price, interest rate, and maturity date. The Company will implement the A Share Convertible Bond Issuance Plan upon the approval of other members of the Board (collectively, the "**Internal Control Measures**").

(vi) Timing and method of interest payment

The interest of A Share Convertible Bonds will be paid annually, and the principal and the interest for the final year will be paid upon maturity. Details of calculation of annual interest and method of interest payment are set out in the Appendix I to the Circular.

(vii) Conversion period

The conversion period of the A Share Convertible Bonds shall commence on the first trading day immediately following the expiry of the six-month period after the date of issuance of the A Share Convertible Bonds and end on the maturity date of the A Share Convertible Bonds.

(viii) Determination and adjustment of the conversion price

A. Basis for determining the initial conversion price

The initial conversion price of the A Share Convertible Bonds shall not be lower than:

(a) the average trading price of A Shares for the 20 trading days preceding the date of publication of the offering document (in the event that during such 20 trading days, the share price has been adjusted due to ex-rights or ex-dividend, the price of each of these trading days before adjustment shall be adjusted with reference to the adjusted share price following the ex-rights or ex-dividend events);

(b) the average trading price of A Shares on the trading day preceding the date of the offering document;

(c) the latest audited net asset value per Share; and

(d) the nominal value per Share.

The actual initial conversion price shall be determined by the Board and its authorised persons upon negotiation with the sponsor (the lead underwriter) in accordance with the market conditions, which is subject to the authorisation by the Shareholders at the EGM.

For illustrative purpose, set out below is the comparison of the initial conversion price based on the abovementioned criteria assuming the date of publication of the offering document is the Latest Practicable Date.

	Criteria for determining the initial conversion price	**Initial conversion price** *(RMB)*
(a)	the average trading price of A Shares for the 20 trading days preceding the date of publication of the offering document	15.28
(b)	the average trading price of A Shares on the trading day preceding the date of the offering document	15.36
(c)	the latest audited net asset value per Share	9.18
(d)	the nominal value per Share	1.00

Assuming the date of publication of the offering document is the Latest Practicable Date, the theoretical initial conversion price (the "**Indicative Initial Conversion Price**") shall be no less than approximately RMB15.36 per A Share. The Indicative Initial Conversion Price represents:

(a) premiums of approximately 84.8% and 0.3% over the closing price of HK$9.78 (equivalent to approximately RMB8.31) per H Share as quoted on the Hong Kong Stock Exchange and RMB15.32 per A Share as quoted on the Shanghai Stock Exchange respectively on the Latest Practicable Date;

(b) premiums of approximately 84.2% and 0.7% over the average closing price of approximately HK$9.82 (equivalent to approximately RMB8.34) per H Share as quoted on the Hong Kong Stock Exchange and approximately RMB15.26 per A Share as quoted on the Shanghai Stock Exchange respectively for the last 5 consecutive trading days immediately prior to and including the Latest Practicable Date;

(c) premiums of approximately 83.1% and 1.6% over the average closing price of approximately HK$9.88 (equivalent to approximately RMB8.39) per H Share as quoted on the Hong Kong Stock Exchange and approximately RMB15.12 per A Share as quoted on the Shanghai Stock Exchange respectively for the last 10 consecutive trading days immediately prior to and including the Latest Practicable Date;

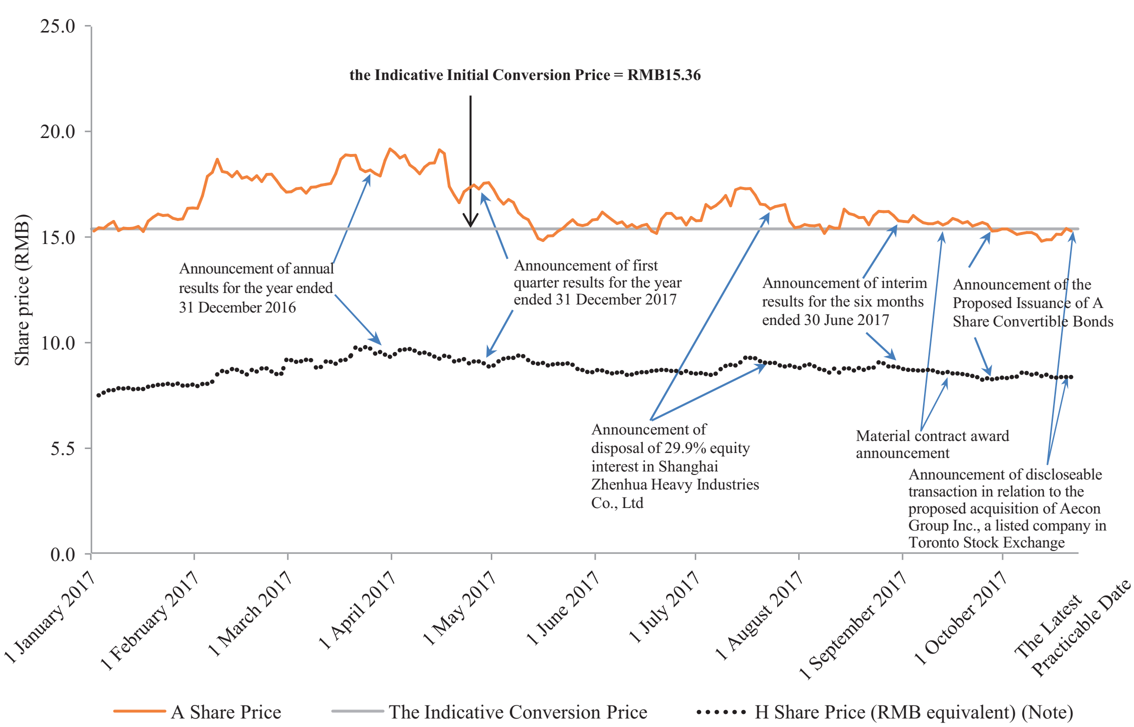
(d) a premium of approximately 82.4% over the average closing price of approximately HK$9.91 (equivalent to approximately RMB8.42) per H Share as quoted on the Hong Kong Stock Exchange and a discount of approximately 0.2% to the average closing price of approximately RMB15.39 per A Share as quoted on the Shanghai Stock Exchange respectively for the last 30 consecutive trading days immediately prior to and including the Latest Practicable Date;

(e) a premium of approximately 77.4% over the average closing price of approximately HK$10.19 (equivalent to approximately RMB8.66) per H Share as quoted on the Hong Kong Stock Exchange and a discount of approximately 2.9% to the average closing price of approximately RMB15.82 per A Share as quoted on the Shanghai Stock Exchange respectively for the last 90 consecutive trading days immediately prior to and including the Latest Practicable Date;

(f) a premium of approximately 74.0% over the average closing price of approximately HK$10.38 (equivalent to approximately RMB8.83) per H Share as quoted on the Hong Kong Stock Exchange and a discount of approximately 7.0% to the average closing price of approximately RMB16.52 per A Share as quoted on the Shanghai Stock Exchange respectively for the last 180 consecutive trading days immediately prior to and including the Latest Practicable Date;

(g) a premium of approximately 67.3% over the NAV per share of the Company of approximately RMB9.18 based on the NAV attributable to the Shareholders of approximately RMB148,440 million as at 30 June 2017 divided by approximately 16,174.7 million Shares in issue as at the Latest Practicable Date.

Set out below is the price performance of the Shares since the beginning of 2017 to the Latest Practicable Date (the "**Review Period**").



Source: Bloomberg and websites of Shanghai Stock Exchange and the Hong Kong Stock Exchange

Note: For illustrative purpose, the exchange rate used to calculate the RMB equivalent of the H Share price is HK$1:RMB0.85.

Since the beginning of 2017, the A Share price closed within the range of RMB15.27 and RMB19.19 before the publication of the quarterly report for the three months ended 31 March 2017 in late April 2017. After that, the A Share price oscillated downward and closed around the Indicative Initial Conversion Price of approximately RMB15.36. During the Review Period, the closing prices of the A Share ranged from RMB14.81 to RMB19.19 with an average and a median of RMB16.44 and RMB16.01 respectively. Out of a total of 200 trading days during the Review Period, there were approximately 172 trading days when the price of the A Shares closed above the Indicative Initial Conversion Price.

As for the H Shares, during the Review Period, the closing prices of the H Shares ranged from HK$8.81 to HK$11.50 with an average and a median of HK$10.27 and HK$10.24 respectively. The Indicative Initial Conversation Price is substantially higher than closing prices of the H Shares throughout the Review Period.

B. Adjustments to the conversion price

The conversion price is subject to adjustment upon the issuance in case of certain events which affect the share capital of the Company and lead to distribution of cash dividends, such as distribution of share dividends, capitalisation, issuance of new shares or rights issue (excluding any increase in the share capital as a result of conversion of the A Share Convertible Bonds). The Company will adjust the conversion price based on the following formula:

Distribution of share dividends or capitalisation:

$P_1 = P_0 / (1+n);$

Issuance of new shares or rights issue:

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

The above two events occurring concurrently:

$P_1 = (P_0 + A \times k) / (1+n+k);$

Distribution of cash dividends:

$P_1 = P_0 - D;$

The above three events occurring concurrently:

$P_1 = (P_0 - D + A \times k) / (1 + n + k).$

Where:

"P_0" denotes the conversion price before adjustment;

"n" denotes the rate of distribution of share dividends or capitalisation;

"k" denotes the rate of issuance of new shares or rights issue;

"A" denotes the price of issuance of new shares or rights issue;

"D" denotes the cash dividend per share;

"P_1" denotes the adjusted conversion price.

Upon the occurrence of any of the above-mentioned changes in Shares and/or Shareholder's interests, the Company will adjust the conversion price in accordance with the methods determined, and an announcement in relation to the adjustment of the conversion price shall be made on the media designated by CSRC for information disclosure of listed companies. Such announcement will indicate the date of adjustment to the conversion price, adjustment method and suspension period of share conversion (if necessary).

In the event that the creditor's interests or the interests derived from the share conversion of the A Share Convertible Bond Holders are affected by the change in the Company's share class, quantity and/or Shareholders' interests due to any possible share repurchase, consolidation, division or any other circumstances, the Company will adjust the conversion price based on the actual situations and in accordance with the principles of fairness, justice and equality so as to fully protect the interests of A Share Convertible Bond Holders. The details of adjustments to conversion price and its implementation measures shall be determined in accordance with then relevant national laws and regulations and the relevant requirements of the securities regulatory authorities.

Besides, the adjusted conversion price shall not be lower than the latest audited net asset value per Share and the nominal value per Share of the Company.

(ix) Terms of downward adjustment to conversion price

If, during the term of the A Share Convertible Bonds, the closing prices of A Shares in any 15 trading days out of any 30 consecutive trading days are lower than 80% of the prevailing conversion price, the Board may propose a downward adjustment to the conversion price to Shareholders at the general meeting for their consideration and approval.

The above-mentioned proposals are subject to approval of two-thirds of the Shareholders with voting rights who attend the meeting. Shareholders who hold the A Share Convertible Bonds should abstain from voting at the general meeting. The adjusted conversion price should be no less than the average trading price of the A Shares for 20 trading days preceding the date of the general meeting for consideration and approval of the aforementioned proposals and the average trading price of A Shares on the trading day preceding the date of the general meeting, and should be also no less than the latest audited net asset value per Share and the nominal value per Share of the Company.

(x) Entitlement to dividend in the year of conversion

The new Shares of the Company to be issued as a result of the conversion of A Share Convertible Bonds shall rank *pari passu* with all the existing Shares of the Company, and all ordinary Shareholders (including those derived from the conversion of the A Share Convertible Bonds) whose names are recorded on the register of members of the Company on the record date for dividend distribution shall be entitled to receive the dividend of that period.

(xi) Terms of redemption

A. Terms of redemption upon maturity

Within five trading days upon the maturity of A Share Convertible Bonds, the Company will redeem all the A Share Convertible Bonds from A Share Convertible Bond Holders which have not been converted into Shares by then, at a price calculated at a premium (including the interest accrued in the last interest accrual year) in addition to the nominal value of A Share Convertible Bonds. The actual premium shall be determined by the Board and its authorised persons upon negotiation with the sponsor (the lead underwriter) with reference to the market conditions, which is subject to the authorisation by the Shareholders at the general meeting.

As mentioned above, the Company will adopt the Internal Control Measures in determining the term of redemption of the A Share Convertible Bonds upon maturity.

B. Terms of conditional redemption

During the conversion period of A Share Convertible Bonds to be issued hereunder, if the closing prices of A Shares during at least 15 trading days out of any 30 consecutive trading days are no less than 130% (inclusive) of the prevailing conversion price, or the amount of the outstanding convertible bonds is lower than RMB30 million, the Company shall have the right to redeem all or part of the outstanding A Share Convertible Bonds, at a price equal to the nominal value of A Share Convertible Bonds plus then accrued interest.

(xii) Terms of sale back

A. Terms of conditional sale back

During the last two interest accrual years within the term of the A Share Convertible Bonds, if the closing prices of the A Shares on any 30 consecutive trading days are lower than 70% of the prevailing conversion price, the A Share Convertible Bond Holders are entitled to sell back all or part of the A Share Convertible Bonds they hold to the Company at par plus the then accrued interest.

The A Share Convertible Bond Holders can exercise their sale back rights once every year when the sale back conditions are initially satisfied according to the abovementioned agreed terms in the last two interest accrual years within the term of the A Share Convertible Bonds. If the sale back conditions are initially satisfied, but the A Share Convertible Bond Holders do not apply for and exercise their sale back rights during the sale back declaration period then announced by the Company, they shall not exercise the sale back rights during such accrual year. The A Share Convertible Bond Holders are not allowed to exercise part of their sale back rights repeatedly.

B. Additional terms of sale back

If the actual use of the proceeds from A Share Convertible Bonds significantly differs from the undertakings of the use of proceeds set out by the Company in the offering document, and such change is deemed as a deviation in the use of proceeds pursuant to relevant rules of CSRC or is considered by CSRC as a deviation in the use of proceeds, the A Share Convertible Bond Holders will be entitled to a one-off right to sell all or partial of A Share Convertible Bonds back to the Company at par plus then accrued interest. Upon the satisfaction of the additional condition of sale back, the A Share Convertible Bond Holders may sell their A Share Convertible Bonds back to the Company during the additional sale back declaration period after it is announced by the Company. If the A Share Convertible Bond Holders do not exercise their sale back rights during such period, they shall not exercise such rights later.

(xiii) Subscription arrangement for the existing Shareholders

The existing ordinary A Shareholders are entitled to the pre-emptive rights to subscribe for A Share Convertible Bonds to be issued. It will be proposed at the EGM to authorise the Board and its authorised persons to determine the actual amount to be preferentially allocated in accordance with the actual market conditions before the issuance, and shall be disclosed in the offering document of A Share Convertible Bonds.

A Share Convertible Bonds which are not subject to the preferential subscription by existing ordinary A Shareholders and are not subscribed by the existing ordinary A Shareholders within the preferential subscription will be offered to institution investors offline or issued by way of online pricing through the trading system of the Shanghai Stock Exchange, and the remaining balance will be underwritten by the underwriters.

Further details of the A Share Convertible Bonds Issuance Plan are set out in Appendix I to the Circular.

5. Comparable Transactions

In assessing the fairness and reasonableness of terms of the A Share Convertible Bond Issuance Plan, we have also compared the terms of the A Share Convertible Bond Issuance Plan against those of similar A share convertible bonds issue proposed by companies listed on both (i) the Shanghai Stock Exchange or the Shenzhen stock exchange; and (ii) the Hong Kong Stock Exchange (the "**Comparable Transactions**") from 1 January 2014 up to the Latest Practicable Date. Set out below is a summary comparing the principal terms of the A Share Convertible Bond Issuance Plan and the Comparable Transactions as set out in the relevant circulars or prospectus.

Company name (Stock code)	Circular or prospectus date	Maximum size of issuance	Duration	Basis of determination of interest rate	Basis of determining the initial conversion price	Adjustments to the conversion price	Downward adjustment to the conversion price	Terms of redemption upon maturity	Terms of conditional redemption	Terms of sale back
The Company (1800)	30 October 2017	Not more than RMB20.0 billion	6 years	To be determined by the Board or other authorised persons after discussion and agreement upon negotiation with the sponsor (the lead underwriter) in accordance with the PRC national policies, market conditions and the actual conditions of the Company, prior to the Proposed Issuance of A Share Convertible Bonds.	The initial conversion price of the A Share Convertible Bonds shall not be lower than (i) the average trading price of A Shares for the 20 trading days preceding the date of publication of the offering document; (ii) the average trading price of A Shares on the trading day preceding the date of offering document; (iii) the latest audited net asset value per Share; and (iv) the nominal value per Share. The actual initial conversion price shall be determined by the Board and its authorised person upon negotiation with the sponsor (the lead underwriter) in accordance with the market condition.	In the case of certain events occurring which affect the share capital of the Company and lead to distribution of cash dividends, such as distribution of share dividends, capitalisation, issuance of new shares or rights issue, the Company will adjust the conversion price based on a pre-set formula. For details, please refer to the paragraph headed "*B. Adjustments to the conversion price*" above.	To be adjusted when the closing price of A Shares in any 15 trading days out of 30 consecutive trading days are lower than 80% of the prevailing conversion price, subject to two-thirds of Shareholders' approval and existing A shares convertible bonds holders shall abstain from voting.	To be redeemed at a premium (including the interest accrued in the last interest accrual year) in addition to the nominal value of the A Share Convertible Bonds. The actual premium shall be determined by the Board and its authorised persons upon negotiation with the sponsor (the lead underwriter) with reference to the market conditions.	To be redeemed when the closing price of the A Shares during at least 15 trading days out of any 30 consecutive trading days are no less than 130% (inclusive) of the prevailing conversion price, or when the outstanding balance of the A Share Convertible Bonds is lower than RMB30 million.	Terms of conditional sale back: If the closing prices of the A Shares on any 30 consecutive trading days are lower than 70% of the prevailing conversion price during the last two interest accrual years within the term of the A Share Convertible Bonds, the A Share Convertible Bond Holders are entitled to sell back all or part of the A Share Convertible Bonds they hold to the Company at par plus the then accrued interest. Terms of additional sale back (the "**Additional Sale Back**"): If the actual use of the proceeds from A Share Convertible Bonds significantly differs from the undertakings of the use of proceeds set out by the Company in the offering document, and such change is deemed as a deviation in the use of proceeds pursuant to relevant rules of CSRC or is considered by CSRC as a deviation in the use of proceeds, the A Share Convertible Bond Holders will be entitled to a one-off right to sell all or partial of A Share Convertible Bonds back to the Company at par plus then accrued interest.

Company name (Stock code)	Circular or prospectus date	Maximum size of issuance	Duration	Basis of determination of interest rate	Basis of determining the initial conversion price	Adjustments to the conversion price	Downward adjustment to the conversion price	Terms of redemption upon maturity	Terms of conditional redemption	Terms of sale back
Central China Securities Co., Ltd. ("**CCS**") (1375)	5 May 2017	Not more than RMB2.7 billion	6 years	Same as the A Share Convertible Bond Issuance Plan	Same as the A Share Convertible Bond Issuance Plan, except for the initial conversion price shall also not be lower than the average trading prices of A shares for the 30 trading days preceding the date of the offering document.	Same as the A Share Convertible Bond Issuance Plan	Same as the A Share Convertible Bond Issuance Plan, except for the adjustment threshold of the prevailing conversion price is 90%.	The actual redemption price shall be determined by the board of CCS and the sponsor with reference to the market conditions at the time of issuance of convertible bonds.	Same as the A Share Convertible Bond Issuance Plan	Same as the Additional Sale Back in the A Share Convertible Bond Issuance Plan

Company name (Stock code)	Circular or prospectus date	Maximum size of issuance	Duration	Basis of determination of interest rate	Basis of determining the initial conversion price	Adjustments to the conversion price	Downward adjustment to the conversion price	Terms of redemption upon maturity	Terms of conditional redemption	Terms of sale back
China CITIC Bank Corporation Limited ("**CITIC Bank**") (998)	12 January 2017	Not more than RMB40.0 billion	6 years	Same as the A Share Convertible Bond Issuance Plan, except for negotiation with the sponsor (the lead underwriter) is not required.	Same as CCS	Upon the occurrence of certain events that affect the share capital of CITIC Bank, such as distribution of share dividend, capitalisation, issuance of new shares or allotment of shares or the occurrence of distribution of cash dividend, CITIC Bank will adjust the conversion price of A share convertible bond based on the actual situation and in accordance with the principles of fairness, justice, equity so as to fully protect the A share convertible bond holders' interests.	Same as the A Share Convertible Bond Issuance Plan	Same as the A Share Convertible Bond Issuance Plan	Same as the A Share Convertible Bond Issuance Plan	Same as the Additional Sale Back in the A Share Convertible Bond Issuance Plan

Company name (Stock code)	Circular or prospectus date	Maximum size of issuance	Duration	Basis of determination of interest rate	Basis of determining the initial conversion price	Adjustments to the conversion price	Downward adjustment to the conversion price	Terms of redemption upon maturity	Terms of conditional redemption	Terms of sale back
Guotai Junan Securities Co., Ltd. ("**GJSC**") (2611)	28 March 2017 *(Note)*	Not more than RMB7.0 billion	6 years	Same as the A Share Convertible Bond Issuance Plan	The initial conversion price of the A share convertible bonds shall not be lower than (i) the average trading price of A shares of GJSC for the 20 trading days preceding the date of publication of the offering document; and (ii) the average trading price of A shares of GJSC on the trading day preceding the date of offering document. The actual initial conversion price shall be determined by the board of GJSC and its authorised person upon negotiation with the sponsor (the lead underwriter) in accordance with the market condition.	Same as the A Share Convertible Bond Issuance Plan	Same as the A Share Convertible Bond Issuance Plan	To be redeemed at par value (including interest on the final term) of the convertible bonds.	Same as the A Share Convertible Bond Issuance Plan	Same as the Additional Sale Back in the A Share Convertible Bond Issuance Plan

Company name (Stock code)	Circular or prospectus date	Maximum size of issuance	Duration	Basis of determination of interest rate	Basis of determining the initial conversion price	Adjustments to the conversion price	Downward adjustment to the conversion price	Terms of redemption upon maturity	Terms of conditional redemption	Terms of sale back
China Everbright Bank Company Limited (“**Everbright Bank**”) (6818)	15 June 2016	Not more than RMB30.0 billion	6 years	Same as the A Share Convertible Bond Issuance Plan	Same as CCS	Same as the A Share Convertible Bond Issuance Plan	Same as the A Share Convertible Bond Issuance Plan	Same as the A Share Convertible Bond Issuance Plan	Same as the A Share Convertible Bond Issuance Plan	Same as the Additional Sale Back in the A Share Convertible Bond Issuance Plan
Guangzhou Automobile Group Co., Ltd. (2238)	5 August 2014	Not more than RMB6.0 billion	Not more than 6 years	Same as the A Share Convertible Bond Issuance Plan	Same as GJSC	Same as the A Share Convertible Bond Issuance Plan	Same as the A Share Convertible Bond Issuance Plan, except for the adjustment threshold of the prevailing conversion price is 90%.	To be redeemed with an ascent ratio of 103% – 108% of the par value (including the final term of annual interest). The actual ascent ratio shall be determined by the board with reference to market conditions.	Same as the A Share Convertible Bond Issuance Plan	Same as the A Share Convertible Bond Issuance Plan
Shanghai Electric Group Company Limited (2727)	30 June 2014	Not more than RMB6.0 billion	6 years	Same as the A Share Convertible Bond Issuance Plan	Same as GJSC	Same as the A Share Convertible Bond Issuance Plan	Same as the A Share Convertible Issuance Plan, except for the adjustment threshold of the prevailing conversion price is 85%.	Same as the A Share Convertible Bond Issuance Plan	Same as the A Share Convertible Bond Issuance Plan	Same as the A Share Convertible Bond Issuance Plan, except for the consideration for the sale back is at 103% (accrued interests included) of the nominal value of A share convertible bonds.

Source: Circulars, prospectus or announcements published in respect of the Comparable Transactions by the respective companies

Note: Certain principal terms of the issuance of A share convertible bonds by GJSC are extracted from the announcements of GJSC dated 5 July 2017.

As set out above, similar to the A Share Convertible Bond Issuance Plan, certain terms of the Comparable Transactions, such as initial conversion price and interest rates, were not fixed and would be determined subsequently at the time of publication of offering document, subject to the then market conditions. A number of terms, including downward adjustment to the conversion price, redemption upon maturity and terms of sale back, of the A Share Convertible Bond Issuance Plan may be slightly different from but are no less favourable than those of the Comparable Transactions in general. In view of the above, we are in the opinion that the terms of the Proposed Issuance of A Share Convertible Bonds are in line with the general market terms of the Comparable Transactions.

6. Financial effects of the Proposed Issuance of A Share Convertible Bonds on the Group

(a) Earnings

As set out in Appendix IV to the Circular – The dilution of immediate returns by the Proposed Issuance of A Share Convertible Bonds and the remedial measures to be adopted, upon the issuance of A Share Convertible Bonds, the number of the Company's outstanding dilutive potential ordinary Shares will increase. In the event that the A Share Convertible Bonds were issued and converted, the earnings per Share will decrease.

In addition, the Company will be required to pay interest to the A Share Convertible Bond Holders whose A Share Convertible Bonds have not been converted. The earnings of the Group will be reduced by the interest expense arising from the issuance of the A Share Convertible Bonds.

Shareholders are reminded that the actual impact of the Proposed Issuance of A Share Convertible Bonds shall be determined with reference to various factors such as the actual interest rate of A Share Convertible Bonds, the actual number of Shares to be issued under the A Share Convertible Bonds and the incremental earnings from utilising the net proceeds of the Proposed Issuance of A Share Convertible Bonds in the operations of the Group.

(b) NAV

Upon the issuance of A Share Convertible Bonds, as advised by the management of the Group, the A Share Convertible Bonds will be accounted for in two separate components in the Group's statement of financial position, comprising a liability component and an equity component, at initial recognition. The liability component will be determined using a market interest rate for an equivalent non-convertible bond and will be recorded as a non-current liability at initial recognition. The difference between the net proceeds from the issuance of A Share Convertible Bonds and the liability component will be recognised as the equity component and included in the Shareholders' equity. Accordingly, there will be a positive impact on the NAV of the Group.

Shareholders are reminded that the actual positive impact on the NAV of the Group shall be determined with reference to the valuation of the equity component of the A Share Convertible Bonds.

(c) Liquidity

As at 30 June 2017, the Group had cash and bank balances of approximately RMB100,608 million and net current assets (i.e. total current assets less total current liabilities) of approximately RMB10,990 million. As advised by the management of the Group, the net proceeds from the Proposed Issuance of A Share Convertible Bonds will not be included in the cash and cash equivalents of the Group given the net proceeds will be used for specific purposes. On this basis, the cash balance is not anticipated to have any change but the net proceeds from the Proposed Issuance of A Share Convertible Bonds is expected to improve the net current asset position of the Group as the A Share Convertible Bonds have a term of 6 years and a significant portion of the A Share Convertible Bonds will therefore be classified as a non-current liability.

(d) Gearing

As at 30 June 2017, the Group's gearing ratio, being net debt (i.e. total borrowings of approximately RMB292,177 million less cash and cash equivalents of approximately RMB100,608 million) divided by total capital (i.e. total equity of approximately RMB194,772 million plus net debt of approximately RMB191,569 million), was approximately 49.6%. Upon the Proposed Issuance of A Share Convertible Bonds, both net debt and total capital of the Group are expected to increase and the change of the gearing ratio will be depending on the proportions of liability component and equity component of the A Share Convertible Bonds. If liability component exceeds equity component, the gearing ratio of the Group will increase upon the Proposed Issuance of A Share Convertible Bonds, and vice versa. Having said the above, given the maximum size of RMB20 billion, the Proposed Issuance of A Share Convertible Bonds is not expected to have any significant impact on the gearing ratio of the Group.

7. Potential dilution effect on the shareholdings of the Independent Shareholders

As set out in the letter from the Board, by applying the Indicative Initial Conversion Price of approximately RMB15.36 per A Share and the maximum size of the Proposed Issuance of A Share Convertible Bonds of RMB20 billion, the maximum number of A Shares to be issued will be 1,301,933,845. As set out in the paragraph (xiii) headed "Subscription arrangement for the existing Shareholders" in the section 4 headed "Principal terms of the Proposed Issuance A Share Convertible Bonds", the existing ordinary A Shareholders are entitled to the pre-emptive rights to subscribe for A Share Convertible Bonds to be issued, it is therefore possible for the existing ordinary A Shareholders to fully subscribe for the A Share Convertible Bonds.

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and upon completion of the issuance of A Share Convertible Bonds (assuming all the A Share Convertible Bonds are subscribed by the existing ordinary A Shareholders and the full conversion of the A Shares Convertible Bonds into A Shares at the Indicative Initial Conversion Price):

Name of Shareholder	(i) As at the Latest Practicable Date Number of Shares	As a percentage of total issued Shares	(ii) Immediately after completion of the Proposed Issuance of A Share Convertible Bonds (assuming the full conversion of the A Share Convertible Bonds into A Shares at the Indicative Initial Conversion Price) Number of Shares	As a percentage of total issued Shares
A Shares				
Non-public				
CCCG	10,325,207,306	63.84%	11,469,539,258	65.63%
Public				
A Shares held by the public Shareholders	1,422,028,119	8.79%	1,579,630,012	9.04%
Total issued A Shares	11,747,235,425	72.63%	13,049,169,270	74.67%
H Shares				
Public				
H Shares held by the public Shareholders	4,427,500,000	27.37%	4,427,500,000	25.33%
Total issued H Shares	4,427,500,000	27.37%	4,427,500,000	25.33%
Total issued Shares	16,174,735,425	100.00%	17,476,669,270	100.00%

As shown in the table above, the shareholding of the existing H Share public Shareholders will decrease from approximately 27.37% to approximately 25.33% immediately after completion of the Proposed Issuance of A Share Convertible Bonds and assuming the full conversion of the A Share Convertible Bonds into A Shares at the Indicative Initial Conversion Price, it represents a dilution by approximately 2.04%. Although the shareholding interest of the existing H Share public Shareholders will be diluted, having taken into account, among others, (i) CCCG already has a majority control of the Company and shall remain as the single largest Shareholder; (ii) the potential benefits to be brought forth by the Proposed Issuance of

A Share Convertible Bonds as mentioned in the section 3 headed "Reasons for and benefits of the Proposed Issuance of A Share Convertible Bonds and the Proposed Subscription of A Share Convertible Bonds by CCCG"; (iii) the fairness and reasonableness of the principal terms of A Share Convertible Bond Issuance Plan; and (iv) the generally positive financial effects on the Group, we are of the opinion that the dilution effect on shareholding of the existing public Shareholders to be acceptable.

DISCUSSION AND ANALYSIS

The Company, being a leading transportation infrastructure group in the PRC, operates a capital-intensive business providing various customers in all parts of the world with integrated solutions and services for transportation infrastructure projects in the areas of investment, design, construction, operation and management. The Company plans to further expand its operation by investing in various projects in infrastructure construction business, infrastructure design business and dredging business, which arouse genuine need of additional funding. The management of the Group has reviewed various financing alternatives apart from the Proposed Issuance of A Share Convertible Bonds. Fund raising involving an issuance of new Shares will have immediate dilution on existing Shareholders' shareholding and it is often issued at a discount to the prevailing market price of the Shares as opposed to the expected premium (as compared to the pricing of the H Shares) over the initial conversion price based on the pricing formula under the A Share Convertible Bond Issuance Plan. Debt financing will inevitably impose additional financial burden to the Group. The Proposed Issuance of A Share Convertible Bonds, on the other hand, is expected to replenish capital without having significant finance costs and immediate dilutive effect on existing shareholding structure.

The characteristics of convertible bonds for having a long conversion period and a combination of equity and debt nature adds on to its suitability to be a preferable fundraising instrument for the Company. In addition, the Possible Subscription of A Share Convertible Bonds by CCCG demonstrates its confidence in the Company's future development, improving the Company's image and potentially have an positive impact on the Share price.

Similar to the A Share Convertible Bond Issuance Plan, certain terms of the Comparable Transactions, such as initial conversion price and interest rates, were not fixed and would be determined subsequently at the time of publication of offering document, subject to the then market conditions. A number of terms, including downward adjustment to the conversion price, redemption upon maturity and terms of sale back, of the A Share Convertible Bond Issuance Plan may be slightly different from but are no less favourable than those of the Comparable Transactions in general. In view of the above, the terms of the Proposed Issuance of A Share Convertible Bonds are in line with the general market terms of the Comparable Transactions.

The financial effects of the Proposed Issuance of A Share Convertible Bonds are expected to be generally positive by improving the NAV and net current asset level while having insignificant increase, if any, in gearing ratio.

The shareholding of the existing public H Share Shareholders will decrease from approximately 27.37% to approximately 25.33% immediately after completion of the Proposed Issuance of A Share Convertible Bonds (assuming the full conversion of the A Shares Convertible Bonds into A Shares at the Indicative Initial Conversion Price). In view of the positive factors highlighted, we are of the opinion that the dilution effect on shareholding of the existing H Share Shareholders to be acceptable.

OPINION AND RECOMMENDATION

Having considered the above principal factors and reasons, we consider that the Possible Subscription for A Share Convertible Bonds by CCCG, though not in the ordinary and usual course of business of the Group, is in the interests of the Company and the Shareholders as a whole and the terms of the Possible Subscription for A Share Convertible Bonds by CCCG are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. We therefore advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Possible Subscription for A Share Convertible Bonds by CCCG.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Danny Cheng
Director

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)

SUPPLEMENTAL NOTICE OF 2017 SECOND EXTRAORDINARY GENERAL MEETING

Reference is made to the notice of 2017 second extraordinary general meeting (the "**EGM**") of China Communications Construction Company Limited (the "**Company**") dated 26 September 2017 (the "**Notice**"), which sets out the time and venue of the EGM and contains the resolutions to be proposed at the EGM for shareholders' approval.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the EGM will be held as originally scheduled at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC at 2:00 p.m. on Wednesday, 22 November 2017 for the purpose of considering and, if thought fit, passing the following resolutions in addition to the resolutions set out in the Notice:

As Special Resolutions

9. To consider and approve the proposal on the report on the use of the previously raised proceeds;

10. To consider and approve the proposal on the amendments to articles of association of the Company;

As Ordinary Resolutions

4. To consider and approve the proposal to general meeting to authorize the Board to consider and decide the provision of performance guarantee for the overseas subsidiaries of the Company to perform and implement their projects;

5. To consider and approve the proposal on the specific self-inspection report on the real estate business; and

6. To consider and approve the proposal on the undertaking on the matters relating to the specific self-inspection of the real estate business issued by the controlling Shareholders, Directors, Supervisors and senior management of the Company.

By Order of the Board
China Communications Construction Company Limited
Liu Wensheng
Company Secretary

Beijing, the PRC

3 November 2017

As at the date of this notice, the Directors are LIU Qitao, CHEN Fenjian, FU Junyuan, LIU Maoxun, LIU Zhangmin#, LEUNG Chong Shun# and HUANG Long#.

Independent non-executive Director

Notes:

1. A circular containing details of the resolutions as set out in the Notice and this supplemental notice has been despatched to the shareholders of the Company on 3 November 2017.

2. This supplemental notice is enclosed with a revised form of proxy (the "**Revised Form of Proxy**") which sets out the resolutions in the Notice and this supplemental notice.

   Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed Revised Proxy Form in accordance with the instructions printed thereon not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof (i.e. before 2:00 p.m. on Tuesday, 21 November 2017). Completion and return of the Revised Proxy Form will not preclude you as a Shareholder from attending and voting in person at the EGM or at any adjourned meeting should you so wish.

   A Shareholder who has not yet completed and returned the form of proxy dated 26 September 2017 (the "**Original Proxy Form**") is required to complete and return the Revised Proxy Form if you wish to appoint a proxy to attend the EGM. In this case, the Original Proxy Form shall not be returned.

   A Shareholder who has already completed and returned the Original Proxy Form properly should note that:

   (a) if the Revised Proxy Form is not completed and returned properly or if the Revised Proxy Form is returned later than 24 hours before the time appointed for holding the EGM, the Original Proxy Form will be treated as a valid proxy form returned by you if it is correctly completed and returned. The proxy so appointed by you will be entitled to vote at his or her discretion or to abstain from voting on the resolutions duly put to the EGM as indicated in this circular; and

   (b) if the Revised Proxy Form is completed and returned 24 hours before the time appointed for holding the EGM, the Revised Proxy Form will revoke and supersede the Original Proxy Form previously returned by you. The Revised Proxy Form will be treated as a valid proxy form returned by you if it is correctly completed.

3. Please refer to the Notice of the EGM dated 26 September 2017 for details of other resolutions to be proposed for consideration and approval at the EGM, closure of register of members, eligibility for attending the EGM and registration procedures for attending the EGM and other matters regarding the EGM.

Details of the proposal in relation to the Proposed Issuance of A Share Convertible Bonds are as follows:

1. TYPE OF SECURITIES TO BE ISSUED

The type of the securities to be issued is convertible bonds which can be converted into A Shares. The A Share Convertible Bonds and A Shares to be converted will be listed on the Shanghai Stock Exchange.

2. SIZE OF ISSUANCE

The total amount of A Share Convertible Bonds proposed to be issued will not exceed RMB20 billion (inclusive). The actual size of the issuance shall be determined by the Board and its authorized persons within the above range, subject to the authorization by the Shareholders at the EGM.

3. PAR VALUE AND ISSUE PRICE

A Share Convertible Bonds will be issued at par with a nominal value of RMB100 each.

4. TERM

The term of A Share Convertible Bonds will be six years from the date of the issuance.

5. INTEREST RATE

The Board proposes to the Shareholders at the EGM to authorize the Board and its authorized persons to determine the method for determination of nominal interest rate and the final interest rate for the interest accrual year upon negotiation with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the actual conditions of the Company, prior to the issuance.

6. TIMING AND METHOD OF INTEREST PAYMENT

The interest of A Share Convertible Bonds will be paid annually, and the principal and the interest for the final year will be paid upon maturity.

(1) Calculation of annual interest

Annual Interest means the interest accrued to an A Share Convertible Bond Holder in each year on each anniversary of the date of issuance of the A Share Convertible Bonds which is calculated based on the aggregate nominal value of the A Share Convertible Bonds held by him/her.

The formula for calculating the Annual Interest is: $I = B \times i$

I: denotes the Annual Interest;

B: denotes the aggregate nominal value of the A Share Convertible Bonds held by an A Share Convertible Bond Holder as at the record date for interest payment in an interest accrual year;

i: denotes the nominal interest rate of the A Share Convertible Bonds of that year.

(2) Method of interest payment

a. Interest of the A Share Convertible Bonds will be paid annually, accruing from the date of the issuance of the A Share Convertible Bonds.

b. Interest payment date: The interest is payable annually on each anniversary of the date of issuance of the A Share Convertible Bonds. If such date falls on a statutory holiday or rest day, the interest payment date shall be postponed to the first working day immediately thereafter, provided that no additional interest will be accrued during the period of postponement. The period between an interest payment date and the immediately following interest payment date will be an interest accrual year.

c. The vesting of interest and dividend for the year of conversion shall be determined by the Board in accordance with relevant laws and regulations and the regulations of the Shanghai Stock Exchange.

d. Record date for interest payment: The record date for interest payment in each year will be the last trading day preceding the interest payment date. The Company will pay the interest accrued in that year within five trading days from the interest payment date. The Company will not pay any interest for that year and subsequent interest accrual years to the A Share Convertible Bond Holders whose A Share Convertible Bonds have been applied to be converted into A Shares on or before the record date for interest payment.

e. Tax payable on the interest income of an A Share Convertible Bond Holder shall be borne by such A Share Convertible Bond Holder.

7. CONVERSION PERIOD

The conversion period of A Share Convertible Bonds shall commence on the first trading day immediately following the expiry of the six-month period after the date of issuance of the A Share Convertible Bonds and end on the maturity date of the A Share Convertible Bonds.

8. DETERMINATION AND ADJUSTMENT OF THE CONVERSION PRICE

(1) Basis for determining the initial conversion price

The initial conversion price of A Share Convertible Bonds shall not be lower than the average trading price of A Shares for the 20 trading days preceding the date of publication of the offering document (in the event that during such 20 trading days, the share price has been adjusted due to ex-rights or ex-dividend, the price of each of these trading days before adjustment shall be adjusted with reference to the adjusted share price following the ex-rights or ex-dividend events), the average trading price of A Shares on the trading day preceding the date of the offering document and the latest audited net asset value per Share and the nominal value per Share, where the average trading price of A Shares for the 20 preceding trading days = total trading amount of A Shares for such 20 trading days/total trading volume of A Shares for such 20 trading days; the average trading price of A Shares for the preceding trading day = total trading amount of A Shares for such trading day/total trading volume of A Shares for such trading day.

The actual initial conversion price shall be determined by the Board and its authorized persons upon negotiation with the sponsor (lead underwriter) in accordance with the market conditions, which is subject to the authorization by the Shareholders at the EGM.

(2) Method of adjustments to the conversion price

The conversion price is subject to adjustment upon the issuance in case of certain events which affect the share capital of the Company and lead to distribution of cash dividends, such as distribution of share dividends, capitalization, issuance of new shares or rights issue (excluding any increase in the share capital as a result of conversion of the A Share Convertible Bonds). The Company will adjust the conversion price based on the following formula:

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

Issuance of new shares or rights issue: $P_1 = (P_0 + A \times k)/(1 + k)$;

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

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

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

Where: "P_0" denotes the conversion price before adjustment; "n" denotes the rate of distribution of share dividends or capitalization; "k" denotes the rate of issuance of new shares or rights issue; "A" denotes the price of issuance of new shares or rights issue; "D" denotes the cash dividend per share; "P_1" denotes the adjusted conversion price.

Upon occurrence of any of the abovementioned changes in Shares and/or Shareholder's interests, the Company will adjust the conversion price in accordance with the methods determined, and an announcement in relation to the adjustment of the conversion price shall be made on the media designated by CSRC for information disclosure of listed companies. Such announcement will indicate the date of adjustment to the conversion price, adjustment method and suspension period of share conversion (if necessary). The announcement shall also be published (if necessary) in the Hong Kong market in accordance with the Hong Kong Listing Rules and the Articles of Association. If the conversion price adjustment date is on or after the date on which an A Share Convertible Bond Holder applies for conversion of his/her A Share Convertible Bonds but before the registration date of the shares to be issued upon conversion, then such conversion will be executed based on the adjusted conversion price.

In the event that the creditor's interests or the interests derived from the share conversion of the A Share Convertible Bond Holders are affected by the change in the Company's share class, quantity and/or Shareholders' interests due to any possible share repurchase, consolidation, division or any other circumstances, the Company will adjust the conversion price based on the actual situations and in accordance with the principles of fairness, justice and equality so as to fully protect the interests of A Share Convertible Bond Holders. The details of adjustments to conversion price and its implementation measures shall be determined in accordance with then relevant national laws and regulations and the relevant requirements of the securities regulatory authorities.

Besides, the adjusted conversion price shall not be lower than the latest audited net asset value per Share and the nominal value per Share of the Company.

9. TERMS OF DOWNWARD ADJUSTMENT TO CONVERSION PRICE

(1) Authorization and magnitude of adjustment

If, during the term of the A Share Convertible Bonds, the closing prices of A Shares in at least 15 trading days out of any 30 consecutive trading days are lower than 80% of the prevailing conversion price, the Board may propose a downward adjustment to the conversion price to Shareholders at the general meeting for their consideration and approval.

In the event that an adjustment to the conversion price by the Company is made due to ex-rights or ex-dividend during the aforementioned trading days, in respect of the trading days prior to the adjustment to the conversion price, the calculation shall be based on the unadjusted conversion price and the closing price of the Shares on each such day, and in respect of the days on which adjustment to the conversion price is made and the trading days afterwards, the calculation shall be based on the adjusted conversion price and the closing price of the shares on each such day.

The above-mentioned proposals are subject to approvals of two-thirds of the Shareholders with voting rights who attend the meeting. Shareholders who hold the A Share Convertible Bonds should abstain from voting at the general meeting. The adjusted conversion price should be no less than the average trading price of the A Shares for 20 trading days preceding the date of the general meeting for consideration and approval of the aforementioned proposals and the average trading price of the A Shares on the trading day preceding the date of such general meeting, and should be also no less than the latest audited net asset value per Share and the nominal value per Share of the Company.

(2) Procedures of adjustment

If the Company decides to make a downward adjustment to the conversion price, the Company will publish an announcement in relation to the shareholder resolutions on media designated by CSRC for information disclosure of listed companies. Such announcement will disclose information including the magnitude of the adjustment, the registration date of shares and the suspension period of share conversion (if necessary). The announcement shall also be published (if necessary) in the Hong Kong market in accordance with the Hong Kong Listing Rules and the Articles of Association. Application for conversion of A Convertible Bonds at adjusted conversion price shall be resumed upon the first trading day after the registration date, i.e. the conversion price adjustment date.

If the conversion price adjustment date is on or after the date on which an A Share Convertible Bond Holder applies for conversion of his/her A Share Convertible Bonds but before the registration date of the Shares to be issued upon conversion, then such conversion will be executed based on the adjusted conversion price.

10. METHOD FOR DETERMINING THE NUMBER OF SHARES FOR CONVERSION

Where an A Share Convertible Bond Holder applies to convert his/her A Share Convertible Bonds during the conversion period, the formula for calculating number of the Shares to be issued upon conversion is as below:

$Q = V/P$, any fractional Share shall be rounded down to the nearest whole number.

In the aforesaid formula, "V" denotes the aggregate nominal value of A Share Convertible Bonds in respect of which the A Share Convertible Bond Holder applies for conversion, and "P" denotes the prevailing conversion price as at the date of application for conversion.

Within five trading days from the conversion of A Share Convertible Bonds, the Company will pay the A Share Convertible Bond Holder in cash an amount equal to the nominal value of the remaining balance of such A Share Convertible Bonds which are insufficient to be converted into one Share and the interest accrued on such balance in accordance with the relevant requirements of the Shanghai Stock Exchange and such other authorities (for the method of calculating then accrued interest, please refer to relevant information as set out in article 12 headed "Terms of redemption").

11. ENTITLEMENT TO DIVIDEND IN THE YEAR OF CONVERSION

The new Shares of the Company to be issued as a result of the conversion of A Share Convertible Bonds shall rank *pari passu* with all the existing Shares of the Company, and all ordinary Shareholders (including those derived from the conversion of the A Share Convertible Bonds) whose names are recorded on the register of members of the Company on the record date for dividend distribution shall be entitled to receive the dividend of that period.

12. TERMS OF REDEMPTION

(1) Terms of redemption upon maturity

Within five trading days upon maturity of A Share Convertible Bonds, the Company will redeem all the A Share Convertible Bonds from A Share Convertible Bond Holders which have not been converted into Shares by then, at a price calculated at a premium (including the interest accrued in the last interest accrual year) in addition to the nominal value of A Share Convertible Bonds. The actual premium shall be determined by the Board and its authorized persons upon negotiation with the sponsor (the lead underwriter) with reference to the market conditions, which is subject to the authorization by the Shareholders at the general meeting.

(2) Terms of conditional redemption

During the conversion period of A Share Convertible Bonds to be issued hereunder, if the closing prices of A Shares during at least 15 trading days out of any 30 consecutive trading days are no less than 130% (inclusive) of the prevailing conversion price, or the amount of the outstanding convertible bonds is lower than RMB30 million, the Company shall have the right to redeem all or part of the outstanding A Share Convertible Bonds, at a price equal to the nominal value of A Share Convertible Bonds plus then accrued interest.

Formula for calculating then accrued interest is:

$I_A = B \times i \times t/365$

I_A: denotes the accrued interest for the current period;

B: denotes the aggregate nominal value of the A Share Convertible Bonds to be redeemed that are held by A Share Convertible Bond Holders;

i: denotes the nominal interest rate of the A Share Convertible Bonds for the current year;

t: denotes the number of days on which interest is accrued, i.e. the actual number of calendar days from the last interest payment date up to the redemption date of the current interest accrual year (excluding the redemption date).

In the event that an adjustment to the conversion price by the Company is made due to ex-rights or ex-dividend during the aforesaid trading days, the amount for trading days prior to the adjustment day shall be calculated based on the conversion price and the closing price before the adjustment, while the amount for trading days after the adjustment shall be calculated based on the conversion price and the closing price after the adjustment day.

13. TERMS OF SALE BACK

(1) Terms of conditional sale back

During the last two interest accrual years within the term of the A Share Convertible Bonds, if the closing prices of the A Shares on any 30 consecutive trading days are lower than 70% of the prevailing conversion price, the A Share Convertible Bond Holders are entitled to sell back all or part of the A Share Convertible Bonds they hold to the Company at par plus the then accrued interest.

In the event that an adjustment to the conversion price by the Company is made due to ex-rights or ex-dividend during the aforementioned trading days, in respect of the trading days prior to the adjustment to the conversion price, the calculation shall be based on the unadjusted conversion price and the closing price of the Shares on each such day, and in respect of the days on which adjustment to the conversion price is made and the trading days afterwards, the calculation shall be based on the adjusted conversion price and the closing price of the shares on each such day. In the event that there is a downward adjustment to the conversion price, the aforesaid "30 consecutive trading days" shall be re-counted from the first trading day following the adjustment to the conversion price.

The A Share Convertible Bond Holders can exercise their sale back rights once every year when the sale back conditions are initially satisfied according to the abovementioned agreed terms in the last two interest accrual years within the term of the A Share Convertible Bonds. If the sale back conditions are initially satisfied, but the A Share Convertible Bond Holders do not apply for and exercise their sale back rights during the sale back declaration period then announced by the Company, they shall not exercise the sale back rights during such accrual year. The A Share Convertible Bond Holders are not allowed to exercise part of their sale back rights repeatedly.

(2) Additional terms of sale back

If the actual use of the proceeds from A Share Convertible Bonds significantly differs from the undertakings of the use of proceeds set out by the Company in the offering document, and such change is deemed as a deviation in the use of proceeds pursuant to relevant rules of CSRC or is considered by CSRC as a deviation in the use of proceeds, the A Share Convertible Bond Holders will be entitled to a one-off right to sell all or partial of A Share Convertible Bonds back to the Company at par plus then accrued interest. Upon the satisfaction of the additional condition of sale back, the A Share Convertible Bond Holders may sell their A Share Convertible Bonds back to the Company during the additional sale back declaration period after it is announced by the Company. If the A Share Convertible Bond Holders do not exercise their sale back rights during such period, they shall not exercise such rights later.

Formula for calculating the accrued interest for the current period is:

$I_A = B \times i \times t/365$

I_A: denotes the accrued interest for the current period;

B: denotes the aggregate nominal value of A Share Convertible Bonds to be sold back by A Share Convertible Bond Holders;

i: denotes the nominal interest rate of A Share Convertible Bonds for the current year; and

t: denotes the number of days on which interest is accrued, i.e. the actual number of calendar days from the last interest payment date up to the sale back date of the current interest accrual year (excluding the sale back date).

14. METHOD OF ISSUANCE AND TARGET INVESTORS

The specific method of the issuance of A Share Convertible Bonds will be determined by the Board and its authorized persons upon negotiation with the sponsor (the lead underwriter), which is subject to authorization by the Shareholders at the EGM.

The target investors of A Share Convertible Bonds are natural persons, legal persons, securities investment funds and other investors in compliance with legal requirements who have maintained securities accounts in the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (excluding those prohibited by state laws and regulations).

15. SUBSCRIPTION ARRANGEMENT FOR THE EXISTING SHAREHOLDERS

The existing ordinary A Shareholders are entitled to the pre-emptive rights to subscribe for the A Share Convertible Bonds to be issued. It will be proposed at the EGM to authorize the Board and its authorized persons to determine the actual amount to be preferentially allocated in accordance with the actual market conditions before the issuance, and shall be disclosed in the offering document of A Share Convertible Bonds. Such preferential subscription shall be subject to the Company Law, Hong Kong Listing Rules and any other applicable laws, regulations and rules (including but not limited to any rules and requirements regarding related party transactions or connected transactions) of any government or regulatory authorities.

A Share Convertible Bonds which are not subject to the preferential subscription by existing ordinary A Shareholders and are not subscribed by the existing ordinary A Shareholders within the preferential subscription will be offered to institution investors offline or issued by way of online pricing through the trading system of the Shanghai Stock Exchange, and the remaining balance will be underwritten by the underwriters.

16. A SHARE CONVERTIBLE BOND HOLDERS AND A SHARE CONVERTIBLE BOND HOLDERS' MEETINGS

(1) Rights and obligations of A Share Convertible Bond Holders

a. Rights of A Share Convertible Bond Holders

(a) to receive agreed interests in accordance with the number of the A Share Convertible Bonds held by A Share Convertible Bond Holders;

(b) to convert the A Share Convertible Bonds held by A Share Convertible Bond Holders into A Shares according to the agreed conditions;

(c) to exercise right of sale back on agreed conditions;

(d) to assign, bestow or pledge the A Share Convertible Bonds held by A Share Convertible Bond Holders in accordance with the laws, administrative regulations and the Articles of Association;

(e) to receive relevant information in accordance with the laws and the Articles of Association;

(f) to request the Company to repay the principal and interest of the A Share Convertible Bonds within the agreed period and in the agreed manner;

(g) to attend the meetings of A Share Convertible Bond Holders, either in person or by proxy, and vote in accordance with relevant requirements under laws and administrative regulations;

(h) other rights as creditors of the Company prescribed by applicable laws, administrative regulations and Articles of Association.

b. Obligations of the A Share Convertible Bond Holders

(a) to abide by the relevant terms of the issuance of A Share Convertible Bonds by the Company;

(b) to pay the subscription amount in accordance with the number of A Share Convertible Bonds subscribed for;

(c) to abide by the resolutions approved at the meetings of A Share Convertible Bond Holders;

(d) not to request the Company to make prepayment of the principal and interest of A Share Convertible Bonds, unless otherwise required by applicable laws and regulations, or otherwise agreed in the offering document of A Share Convertible Bonds;

(e) other obligations of A Share Convertible Bond Holders prescribed by applicable laws, administrative regulations and the Articles of Association.

(2) A Share Convertible Bond Holders' meetings

a. An A Share Convertible Bond Holders' meeting shall be convened by the Board upon the occurrence of any of the following events:

(a) the Company proposes to change the terms of the offering document of A Share Convertible Bonds;

(b) the Company defaults in paying the principal and interest of A Share Convertible Bonds for the current period on time;

(c) the Company undertakes a capital reduction, merger, division, dissolution or files for bankruptcy;

(d) amending the rules for A Share Convertible Bond Holders' meeting;

(e) other matters which may affect the material interests of A Share Convertible Bond Holders.

b. The following entities or persons may propose an A Share Convertible Bond Holders' meeting:

(a) the Board;

(b) the A Share Convertible Bond Holders holding 10% or more of the total par value of the outstanding A Share Convertible Bonds in aggregate through written proposal;

(c) other entities or persons prescribed by CSRC.

c. Convening of A Share Convertible Bond Holders' meetings

(a) An A Share Convertible Bond Holders' meeting shall be convened and chaired by the Board;

(b) The Board shall, within 30 days after the proposal of the meeting has been raised or received by the Board, convene the meeting of A Share Convertible Bond Holders.

The Board shall publish a notice in at least one designated media for information disclosure of listed companies at least 15 days prior to the meeting of A Share Convertible Bond Holders, which shall specify the specific time, venue, agenda, and methods, etc. as determined by the Board.

d. Attendees of the A Share Convertible Bond Holders' meetings

Unless otherwise required by applicable laws and regulations, A Share Convertible Bond Holders have the right to attend the A Share Convertible Bond Holders' meeting in person or by proxy to exercise their voting rights.

The following entities or persons may attend the A Share Convertible Bond Holders' meetings as non-voting attendees and submit proposals at the meetings for discussion and decision:

(a) the issuer of A Share Convertible Bonds; and

(b) other key related parties.

The Board should engage lawyers to attend the A Share Convertible Bond Holders' meetings and issue legal opinions in relation to the convening and holding of the meetings, voting procedures, and qualifications of the attendees of the A Share Convertible Bond Holders' meetings.

e. Procedures of A Share Convertible Bond Holders' meetings

(a) The chairman of the meeting shall announce the rules of procedure of the meeting and important notes, nominate and announce a scrutineer, and present the proposals. Voting will be commenced after discussion of the proposals. The resolution of the A Share Convertible Bond Holders' meetings will be effective upon witness by a lawyer;

(b) A Share Convertible Bond Holders' meeting shall be chaired by the Chairman of the Board. In the absence of the Chairman of the Board, the meeting shall be chaired by a Director authorized by the Chairman of the Board. If neither the Chairman of the Board nor the Director authorized by the Chairman of the Board is able to chair the meeting, the meeting shall be chaired by an A Share Convertible Bond Holder elected by A Share Convertible Bond Holders representing at least 50% (exclusive) of par value of A Share Convertible Bonds present at the meeting;

(c) The convener should record the attendees of the meeting, which shall indicate the name (or entity name), identity card number, domicile, the par value of the A Share Convertible Bonds with voting rights held or represented by the attendee and the name (or entity name) of A Share Convertible Bond Holder being represented.

f. Voting and resolution of the A Share Convertible Bond Holders' meeting

(a) Each A Share Convertible Bond represents one vote in the A Share Convertible Bond Holders' meeting;

(b) A Share Convertible Bond Holders shall vote by open ballot in the A Share Convertible Bond Holders' meeting;

(c) A resolution of the A Share Convertible Bond Holders' meeting shall be valid upon the affirmative votes representing at least two-thirds of par value of the outstanding A Share Convertible Bonds present at the meeting;

(d) All the items and sub-items contained in the proposals at the A Share Convertible Bond Holders' meetings should be considered and voted separately;

(e) A resolution at an A Share Convertible Bond Holders' meeting will be valid after it has been resolved by the A Share Convertible Bond Holders at the A Share Convertible Bond Holders' meeting, and for resolutions subject to approval by CSRC or other regulatory authorities, the resolution will be effective from the date of approval or confirmation of the relevant approval;

(f) A resolution which is passed at the A Share Convertible Bond Holders' meeting shall be legally binding to all A Share Convertible Bond Holders (including those failing to attend the meeting or expressing different opinions);

(g) After a resolution is adopted by the A Share Convertible Bond Holders' meeting, the Board of the Company shall notify the A Share Convertible Bond Holders by an announcement and be responsible to execute such resolution.

g. The subscription or otherwise holding of the A Share Convertible Bonds by the A Share Convertible Bond Holders shall be deemed as their consents to the aforementioned rules of the A Share Convertible Bond Holders' meetings.

The Company shall provide in the offering document the methods to protect the interests of the A Share Convertible Bond Holders and the authority of A Share Convertible Bond Holders' meetings, the procedures and the conditions for the resolutions to become effective.

17. USE OF PROCEEDS

The total amount of proceeds from the Proposed Issuance of A Share Convertible Bonds will not exceed RMB20 billion (inclusive), which will be used for:

No.	Item	Total investment made in project *(RMB'0000)*	Amount of proceeds to be used *(RMB'0000)*
1.	**Infrastructure investments**		
1.1	Guigang-Long'an Highway in Guangxi (廣西貴港至隆安高速公路)	1,975,000	536,686
1.2	G575 Barköl-Hami Highway in Xinjiang (新疆G575線巴里坤至哈密公路)	601,673	277,156
1.3	Wuhan-Shenzhen Highway – North Jiayu Extension (武漢至深圳高速公路嘉魚北段)	381,606	272,785
1.4	Wenzhou City Road – East Extension (Qianjiang Road – Wenqiang Line) (溫州大道東延線(錢江路 – 溫強線)市政道路)	56,405	50,657
1.5	Changle-Pingtan Highway (Guhuai-Songxia Section) (長樂至平潭高速公路(長樂古槐至松下段))	326,118	28,522
1.6	Jiulongpo-Yongchuan Highway (Chengyu Highway Extension) in Chongqing (重慶九龍坡至永川高速公路(成渝高速公路擴能))	535,254	50,746
	Sub-total	**3,876,057**	**1,216,552**
2.	**Purchase of engineering ships and mechanical equipment**		
2.1	Purchase of engineering ships	246,200	246,200
2.2	Purchase of mechanical equipment	537,248	537,248
	Sub-total	**783,448**	**783,448**
	Total	**4,659,505**	**2,000,000**

If the actual net proceeds from the issuance are less than the amount of the proceeds proposed to be invested in the above projects, the Company will adjust and determine the final specific investment projects to be financed by the proceeds, order of priority and the specific investment amounts of each project based on the actual net proceeds and the priority of each project, and will make up the shortfall by utilizing the own funds of the Company or through other financing methods.

Before the receipt of the proceeds from the issuance of A Share Convertible Bonds, the Company will implement the projects using its own funds depending on the actual progress of the projects. Such capital will be replaced according to the relevant regulations upon the receipt of the proceeds.

18. RATING

A credit rating agency will issue a credit rating report in respect of the issuance of A Share Convertible Bonds.

19. GUARANTEE AND SECURITY

There is no guarantee or security in relation to the A Share Convertible Bonds.

20. DEPOSIT ACCOUNT FOR PROCEEDS RAISED

The Company has established rules for special deposit of proceeds raised. The proceeds of A Share Convertible Bonds shall be kept in a special account designated by the Board. Details regarding account opening will be determined by the Board before the issuance.

21. VALIDITY PERIOD OF THE RESOLUTION

The validity period of the resolution on the issuance of the A Share Convertible Bonds will be twelve months from the date on which the A Share Convertible Bond Issuance Plan is considered and approved at the EGM.

22. AUTHORIZATIONS

(1) Authorization in connection with the issuance

To ensure smooth implementation of the issuance, it is proposed at the EGM to authorize the Board to exercise the full power to handle matters related to the issuance of A Share Convertible Bonds under the framework and principles as considered and approved at the EGM. The validity period of the authorization will be 12 months from the date on which the resolution is approved at the EGM. The Board will, based on the actual conditions of the issuance of A Share Convertible Bonds, propose to the general meeting before the expiry of the validity of such authorization to seek for new authorization. The specific content and scope of the authorization shall include, among other matters, the following:

a. To the extent of the scope as permitted by the relevant laws and regulations and the resolutions of the EGM, in accordance with the requirements of the relevant regulatory authorities, and based on the actual conditions of the Company, to determine the specific issue terms and plan, to devise and implement the final plan of the issuance, including but not limited to, determining the issuance size, issue method, target subscribers, interest rate, terms of conversion, terms of redemption, amounts of preferential allotment to existing A Shareholders and rating arrangements etc., and to determine the schedule of the issuance and any other matters in relation to the A Share Convertible Bond Issuance Plan before the issuance;

b. In accordance with relevant regulations, based on changes in policies, market conditions, the opinions of the government departments and regulatory authorities on the application of the issuance of A Share Convertible Bonds and other circumstances, to the extent of the scope as permitted by the relevant laws and regulations, to make appropriate amendments, adjustments and supplements to the specific A Share Convertible Bond Issuance Plan and relevant application documents and supplementary documents (including but not limited to the dilution on current returns and remedial measures, feasibility report on the use of proceeds etc.) in accordance with the opinions of regulatory authorities, save for matters that require the re-approval at the general meeting pursuant to the relevant laws and regulations, the Articles of Association or as required by regulatory authorities;

c. To the extent authorized by the EGM, to make appropriate adjustments to the proposed use of the raised proceeds and its specific arrangements based on the actual progress and needs of the investment projects. Before the receipt of the proceeds, the Company may implement the investment projects using its own funds. Such capital will be replaced upon the receipt of proceeds; to make appropriate adjustments to the investment projects according to the relevant laws and regulations, regulatory requirements and market conditions;

d. To open special account for the proceeds to be raised under the issuance;

e. To handle relevant matters such as the listing of A Share Convertible Bonds etc. upon the completion of the issuance;

f. In accordance with the relevant laws, regulations and the requirements of regulatory authorities, to analyse, study and demonstrate the dilution on current returns arising from the issuance of the A Share Convertible Bonds, to formulate and implement relevant remedial measures for dilution of current returns, to amend, supplement and improve relevant analysis and measures under the original framework in accordance with any new regulations, policies, implementing rules or self-disciplining standards to be promulgated in the future, and handle any other matter in relation thereto with full power;

g. To determine the agents to be engaged in relation to the issuance, to implement matters such as the filing of the issuance in accordance with the requirements of the regulatory authorities, to formulate, prepare, amend, improve, execute and file all documents in relation to the issuance and listing, to execute, amend, supplement, implement and suspend the contracts, agreements and any other important documents in relation to the issuance (including but not limited to sponsorship agreement, underwriting agreement, proceeds monitoring agreement and the agency agreement), and to handle the information disclosure matters in relation to the issuance in accordance with the regulatory requirements;

h. To the extent as permitted by relevant laws and regulations, to take all necessary actions to determine or handle any other matters in relation to the issuance.

(2) Other authorizations in relation to the A Share Convertible Bonds

During the term of A Share Convertible Bonds, it will be proposed to the EGM to authorize the Board to exercise the full power to handle the following matters under the framework and principles as considered and approved at the EGM:

a. Matters in connection with redemption: to handle all matters in relation to the redemption, including but not limited to the timing of redemption, the percentage of redemption and the execution procedure, in accordance with the laws, regulations, the Articles of Association and market conditions;

b. Matters in connection with share conversion: in accordance with the laws, regulations, the Articles of Association and market conditions, to handle all matters in relation to share conversion, including but not limited to the adjustment of conversion price; amendments to the articles related to the registered capital under the Articles of Association based on the progress of the conversion of A Share Convertible Bonds in due course, and the handling of matters in relation to the approval of amendments to the Articles of Association, industrial and commercial filing, approval for changes in registered capital and changes in industrial and commercial registration, etc.;

c. To the extent as permitted by the relevant laws and regulations, to take all necessary steps to determine or implement all other matters during the term of A Share Convertible Bonds.

(3) To propose at the EGM to authorize the Board to delegate the above authorizations to the Director team, which composed of Liu Qitao, Chen Fenjian and Fu Junyuan, effective from the date on which the relevant resolution passed at the EGM, subject to the grant of the above authorizations to the Board, unless otherwise required by the relevant laws and regulations.

I. THE ISSUANCE SATISFIES THE CONDITIONS OF THE PUBLIC ISSUANCE OF SECURITIES UNDER THE ADMINISTRATIVE MEASURES FOR THE ISSUANCE OF SECURITIES BY LISTED COMPANIES

Pursuant to the relevant requirements under the Company Law, the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Administrative Measures for the Issuance of Securities by Listed Companies (《上市公司證券發行管理辦法》) and other laws, regulations and normative legal documents, the Company believes that it has satisfied the relevant qualifications and conditions for the public issuance of A Share Convertible Bonds upon completing careful review on the qualifications and conditions for the application of public issuance of A Share Convertible Bonds.

II. OVERVIEW OF THE ISSUANCE

Details of the Proposed Issuance of A Share Convertible Bonds are set out in **Appendix I** to this circular.

III. FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

(I) Financial Statements of the Company for the Past Three Years and the Latest Period

The 2014 and 2015 annual financial reports of the Company were audited by PricewaterhouseCoopers Zhong Tian LLP, while the 2016 annual financial report was audited by Ernst & Young Hua Ming LLP. The 2017 interim report of the Company was published on 30 August 2017, the financial data of which has not been audited.

The financial statements of the Company for the past three years and the latest period are set out below. Any differences between the total and its components in aggregate as shown herein are due to rounding.

1. Consolidated Balance Sheet

Unit: RMB'0000

Items	2017-6-30	2016-12-31	2015-12-31	2014-12-31
Monetary funds	10,631,376.44	11,463,722.10	9,807,719.25	7,803,980.68
Financial assets at fair value through profit or loss	326,829.77	49,738.80	15,169.54	19,722.30
Bills receivables	193,861.58	285,375.23	243,625.14	277,209.38
Account receivables	8,805,834.71	8,343,691.31	6,384,577.76	5,995,371.76
Prepayments	1,975,317.52	1,791,245.07	1,940,875.68	1,631,964.48
Interest receivables	2,752.88	1,046.94	109.01	7,895.72

Items	2017-6-30	2016-12-31	2015-12-31	2014-12-31
Dividend receivables	10,326.52	6,655.95	8,024.84	10,515.67
Other receivables	4,472,307.27	4,078,319.74	4,436,399.73	4,203,678.94
Inventories	15,794,932.53	13,152,702.90	12,574,266.68	11,901,584.63
Non-current assets due within one year	4,299,385.93	4,171,087.01	3,619,208.42	2,855,800.64
Other current assets	459,458.55	371,082.11	167,247.09	753,216.09
Total current assets	**46,972,383.69**	**43,714,667.16**	**39,197,223.14**	**35,460,940.29**
Available-for-sale financial assets	2,625,963.87	2,167,932.77	2,232,183.17	2,220,511.02
Held-to-maturity investments	23,549.47	13,087.11	27,981.76	32,796.88
Long-term receivables	9,728,676.49	9,436,733.89	7,669,392.98	7,462,496.80
Long-term equity investments	2,056,828.95	1,913,434.40	1,294,603.58	1,008,616.58
Investment properties	280,731.19	287,666.91	259,874.11	120,565.13
Fixed assets	5,842,173.73	5,618,083.78	5,437,727.40	5,167,692.27
Construction in progress	855,568.60	1,016,037.25	1,319,207.33	1,138,692.57
Intangible assets	15,990,867.67	14,830,492.37	14,504,396.51	9,796,756.72
Development expenditures	1,345.16	997.74	300.23	414.70
Goodwill	576,737.04	520,986.61	601,652.59	153,711.93
Long-term deferred expenses	43,408.71	43,389.21	34,864.96	26,227.25
Deferred income tax assets	464,419.47	463,739.33	411,690.53	288,147.58
Other non-current assets	332,194.26	119,059.45	113,982.83	161,219.14
Total non-current assets	**38,822,464.62**	**36,431,640.82**	**33,907,857.99**	**27,577,848.57**
Total assets	**85,794,848.31**	**80,146,307.98**	**73,105,081.13**	**63,038,788.85**
Short-term borrowings	7,409,100.53	6,362,961.85	6,106,070.13	6,812,475.03
Financial assets at fair value through profit or loss	778.98	1,610.78	13,405.89	4,839.95
Bills payables	1,396,382.37	1,444,655.33	1,315,009.89	1,416,749.72
Account payables	17,673,242.87	17,334,774.87	14,312,876.84	12,870,636.53
Receipt in advance	10,381,570.54	8,371,942.68	8,244,447.72	7,030,448.10
Payroll payables	184,512.87	192,586.68	163,388.42	138,148.34
Tax payables	577,731.55	631,250.95	1,028,783.18	1,141,126.32
Interest payables	197,418.70	141,981.79	149,800.72	204,704.38
Dividend payables	427,344.70	8,505.85	9,421.93	13,968.02
Other payables	3,682,699.99	3,454,251.01	3,084,127.76	1,830,336.06
Non-current liabilities due within one year	2,932,225.90	2,950,313.18	2,234,966.56	1,439,570.70
Other current liabilities	1,010,401.96	1,439,633.14	499,565.57	902,597.84
Total liabilities	**45,873,410.96**	**42,334,468.11**	**37,161,864.60**	**33,805,600.97**

Items	2017-6-30	2016-12-31	2015-12-31	2014-12-31
Long-term borrowings	16,107,737.52	14,675,104.99	13,456,084.54	10,184,858.00
Bonds payables	2,385,527.93	2,614,581.78	3,204,955.44	3,383,495.32
Long-term payables	1,017,976.43	1,043,773.04	908,887.08	906,603.39
Long-term payroll payables	125,246.05	134,399.00	170,206.00	194,907.00
Special payables	14,743.10	15,001.13	17,127.66	14,625.53
Expected liabilities	73,181.65	45,897.34	37,033.45	58,640.88
Deferred income	96,344.08	86,881.14	411,778.86	461,768.09
Deferred income tax liabilities	526,043.91	444,108.36	542,855.82	569,054.36
Other non-current liabilities	62,675.83	56,361.47	238,005.41	239,581.63
Total non-current liabilities	**20,409,476.49**	**19,116,108.24**	**18,986,934.25**	**16,013,534.21**
Total liabilities	**66,282,887.46**	**61,450,576.35**	**56,148,798.85**	**49,819,135.18**
Share capital	1,617,473.54	1,617,473.54	1,617,473.54	1,617,473.54
Other equity instruments	1,943,091.73	1,943,091.73	1,943,091.73	498,555.00
Capital reserve	2,552,361.79	2,401,522.72	2,401,505.67	2,106,490.18
Other comprehensive income	1,497,548.75	1,164,182.06	1,215,204.49	1,205,679.56
Special reserve	218,338.69	184,947.06	155,225.07	145,022.29
Surplus reserve	420,925.96	420,925.96	376,498.94	346,101.56
General provision	76,675.05	76,675.05	38,887.32	10,778.83
Unallocated profits	8,495,503.44	8,157,821.40	6,975,864.65	5,777,507.02
Total equity interests attributable to shareholders of the parent	16,821,918.96	15,966,639.52	14,723,751.43	11,707,607.98
Minority interests	2,690,041.89	2,729,092.10	2,232,530.84	1,512,045.69
Total equity interests	**19,511,960.85**	**18,695,731.63**	**16,956,282.27**	**13,219,653.67**
Total liabilities and equity interests	**85,794,848.31**	**80,146,307.98**	**73,105,081.13**	**63,038,788.85**

2. *Balance Sheet of the Parent*

Unit: RMB'0000

Items	2017-6-30	2016-12-31	2015-12-31	2014-12-31
Monetary funds	4,403,863.74	3,885,170.56	2,890,079.16	1,880,617.37
Financial assets at fair value through profit or loss	9.39	15.74	17.82	0.00
Bill receivables	2,420.19	2,300.00	2,741.56	130.00
Account receivables	1,552,655.71	1,373,390.99	946,812.13	314,834.69
Prepayments	306,103.80	459,728.56	614,129.07	451,197.17
Interest receivables	1,037.92	1,037.92	1,037.92	1,037.92
Dividend receivables	1,029,552.65	934,738.03	1,015,639.76	853,373.96

Items	2017-6-30	2016-12-31	2015-12-31	2014-12-31
Other receivables	3,252,525.31	3,086,756.91	2,771,796.23	2,947,676.79
Inventories	432,646.51	804,255.44	567,560.06	455,213.42
Non-current assets due within one year	52,350.54	51,002.75	270,322.45	91,029.79
Other current assets	53,274.70	66,780.07	25,681.46	25,587.58
Total current assets	**11,086,440.45**	**10,665,176.98**	**9,105,817.62**	**7,020,698.70**
Available-for-sale financial assets	1,491,063.72	1,223,933.12	1,354,049.26	1,390,249.25
Long-term receivables	615,852.59	655,737.78	265,236.99	396,180.47
Long-term equity investments	10,419,935.55	10,322,171.12	10,117,201.40	8,729,774.50
Fixed assets	14,622.30	13,067.03	7,422.31	4,790.34
Construction in progress	400.38	387.56	415.18	347.54
Intangible assets	8,851.19	9,872.36	6,245.64	5,959.71
Long-term deferred expenses	364.12	1,309.78	278.55	109.45
Other non-current assets	32,916.43	1,625.13	0.00	30,000.00
Total non-current assets	**12,584,006.28**	**12,228,103.87**	**11,750,849.33**	**10,557,411.26**
Total assets	**23,670,446.73**	**22,893,280.85**	**20,856,666.95**	**17,578,109.96**
Short-term borrowings	1,753,044.84	1,288,740.00	1,667,978.33	1,430,595.00
Trading financial liabilities	–	–	–	218.31
Account payables	1,540,019.73	1,964,367.14	1,335,415.71	681,740.75
Receipt in advance	710,532.96	817,081.30	1,068,902.47	729,385.82
Payroll payables	2,164.30	1,979.47	1,236.45	1,826.87
Tax payables	18,957.32	4,854.56	17,274.96	8,940.58
Interest payables	112,019.90	69,544.33	44,899.34	62,697.24
Dividend payables	388,601.64	–	–	–
Other payables	5,923,024.36	5,560,602.00	4,261,535.75	3,362,218.49
Non-current liabilities due within one year	835,936.99	880,237.77	255,760.66	235,442.43
Other current liabilities	377,561.23	659,495.03	300,000.00	900,000.00
Total current liabilities	**11,661,863.25**	**11,246,901.60**	**8,953,003.67**	**7,413,065.47**
Long-term borrowings	987,598.27	908,743.62	610,932.82	211,285.70
Bonds payables	1,387,456.22	1,387,008.22	1,985,729.78	1,984,647.62
Long-term payables	443,082.23	416,107.75	226,555.16	245,106.56
Long-term payroll payables	5,317.74	5,680.51	6,788.00	7,962.00
Special payables	583.33	580.26	637.30	577.99
Expected liabilities	10,000.00	–	–	–
Deferred income tax liabilities	311,120.30	236,290.58	276,957.98	300,530.87
Total non-current liabilities	**3,145,158.09**	**2,954,410.94**	**3,107,601.04**	**2,750,110.73**
Total liabilities	**14,807,021.34**	**14,201,312.54**	**12,060,604.71**	**10,163,176.20**

Items	2017-6-30	2016-12-31	2015-12-31	2014-12-31
Share capital	1,617,473.54	1,617,473.54	1,617,473.54	1,617,473.54
Other equity instruments	1,943,091.73	1,943,091.73	1,943,091.73	498,555.00
Capital reserve	2,507,504.50	2,507,504.50	2,507,499.14	2,507,499.14
Other comprehensive income	957,000.01	728,178.63	835,704.85	895,338.55
Special reserve	1,441.86	2,023.06	4.19	–
Surplus reserve	421,483.27	421,483.27	377,056.25	346,658.87
Unallocated profits	1,415,430.47	1,472,213.57	1,515,232.53	1,549,408.66
Total equity interests	**8,863,425.39**	**8,691,968.31**	**8,796,062.24**	**7,414,933.76**
Total liabilities and equity interests	**23,670,446.73**	**22,893,280.85**	**20,856,666.95**	**17,578,109.96**

3. *Consolidated Statement of Profit or Loss*

Unit: RMB'0000

Items	January to June 2017	2016	2015	2014
Revenue	**19,010,148.11**	**43,174,342.98**	**40,442,045.20**	**36,667,323.40**
Less: Operating costs	16,392,000.75	36,740,478.05	34,294,334.75	31,676,531.31
Taxes and surcharges	80,313.83	449,050.54	1,031,520.69	926,491.01
Selling expenses	39,613.33	84,615.04	69,641.59	52,773.41
Administrative expenses	1,103,517.68	2,774,423.82	2,294,040.85	1,798,645.16
Finance costs	374,856.89	763,174.35	734,497.67	699,371.57
Asset impairment loss	127,480.08	444,720.94	430,900.39	130,106.76
Add: Gains/losses on changes in fair value	7,910.81	16,201.16	-10,226.93	-16,730.03
Investment gains	111,134.02	188,929.42	275,230.94	331,183.76
Including: Investment gains from associates and joint ventures	-13,800.60	19,025.91	38,553.84	33,954.43
Other gains	6,518.05	–	–	–
Operating profits	**1,017,928.43**	**2,123,010.81**	**1,852,113.26**	**1,697,857.91**
Add: Non-operating income	42,359.88	124,778.50	106,805.06	83,770.67
Including: Gains from disposal of non-current assets	–	9,337.14	15,418.04	12,660.79
Less: Non-operating expenses	20,955.18	25,260.98	17,902.15	25,439.84
Including: Losses on disposal of non-current assets	3,346.34	9,252.13	5,194.78	3,709.83
Gross profits	**1,039,333.13**	**2,222,528.33**	**1,941,016.18**	**1,756,188.74**

Items	January to June 2017	2016	2015	2014
Less: Income tax expenses	258,226.57	500,304.52	362,759.22	379,951.59
Net profits	**781,106.55**	**1,722,223.81**	**1,578,256.96**	**1,376,237.15**
Including: Minority interests	27,278.75	47,916.39	8,628.50	-12,512.74
Net profits attributable to shareholders of the parent	753,827.80	1,674,307.42	1,569,628.46	1,388,749.89
Add: Net other comprehensive income after tax	333,474.02	-41,071.00	4,792.48	571,837.57
Total comprehensive income	**1,114,580.57**	**1,681,152.81**	**1,583,049.43**	**1,948,074.71**
Including: Total comprehensive income attributable to minority shareholders	27,386.08	57,867.82	3,896.04	-9,277.55
Total comprehensive income attributable to shareholders of the parent	1,087,194.49	1,623,284.98	1,579,153.40	1,957,352.26

4. *Statement of Profit or Loss of the Parent*

Unit: RMB'0000

Items	January to June 2017	2016	2015	2014
Revenue	**1,364,819.60**	**5,413,055.46**	**5,907,694.99**	**1,592,329.06**
Less: Operating costs	1,262,593.10	5,057,077.32	5,732,543.82	1,516,975.96
Taxes and surcharges	5,834.83	43,710.07	43,357.78	17,490.44
Selling expenses	–	–	959.98	–
Administrative expenses	29,240.88	62,309.87	68,394.03	58,110.16
Finance costs	59,508.16	174,446.34	185,478.82	162,548.95
Asset impairment loss	5,873.96	11,244.20	8,366.38	6,112.78
Add: Losses/(gains) on changes in fair value	-6.36	-2.08	236.13	-14.97
Investment gains	364,218.47	371,893.48	431,881.46	1,109,317.12
Including: Investment gains from associates and joint ventures	-8,218.00	-18,150.30	5,090.51	9,270.19

Items	January to June 2017	2016	2015	2014
Operating profits	**365,980.79**	**436,159.06**	**300,711.76**	**940,392.94**
Add: Non-operating income	2,904.77	4,736.54	655.78	7,525.07
Including: Gains from disposal of non-current assets	–	11.12	10.18	56.49
Less: Non-operating expenses	10,850.17	687.20	770.11	10.73
Including: Losses on disposal of non-current assets	0.07	–	2.05	2.02
Gross profits	**358,035.38**	**440,208.39**	**300,597.44**	**947,907.28**
Less: Income tax expenses	-1,327.27	-4,061.76	-3,376.38	350.16
Net profits	**359,362.65**	**444,270.16**	**303,973.81**	**947,557.12**
Add: Net other comprehensive income after tax	228,821.38	-107,526.22	-59,633.70	454,253.46
Total comprehensive income	**588,184.04**	**336,743.94**	**244,340.11**	**1,401,810.58**

5. *Consolidated Statement of Cash Flows*

Unit: RMB'0000

Items	January to June 2017	2016	2015	2014
I. Cash flows from operating activities:				
Cash received from sales of goods and provision of services	19,994,575.34	39,925,499.64	37,399,568.12	34,686,364.19
Tax rebates received	102,101.17	148,099.43	110,302.12	77,499.50
Other cash received from operating activities	373,419.84	1,129,407.68	1,247,456.48	227,361.75
Sub-total of cash inflows from operating activities	**20,470,096.36**	**41,203,006.75**	**38,757,326.72**	**34,991,225.45**
Cash payment for good purchase and service	17,135,305.23	31,020,493.43	29,089,709.63	28,046,297.65
Cash payments to and on behalf of employees	1,812,722.13	3,572,752.01	3,151,414.99	2,847,994.78

Items	January to June 2017	2016	2015	2014
Tax payments	689,170.54	1,502,474.57	1,634,175.54	1,497,333.85
Other cash payments for operating activities	1,041,631.61	2,134,997.97	1,690,920.93	2,159,196.41
Sub-total of cash outflows in operating activities	**20,678,829.50**	**38,230,717.98**	**35,566,221.09**	**34,550,822.69**
Net cash flows from operating activities	**-208,733.14**	**2,972,288.78**	**3,191,105.63**	**440,402.76**
II. Cash flows from investment activities:				
Cash received from sale of investments	40,326.28	196,051.88	1,053,414.28	882,350.97
Cash received from acquisition of investments	54,902.64	113,118.51	95,278.42	73,779.33
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	19,992.20	39,370.65	74,829.51	55,611.54
Net cash received from disposal of subsidiaries and other operating units	9,734.03	196,246.62	71,078.08	0.00
Cash received from other investment activities	515,663.64	392,982.07	430,458.06	485,240.39
Sub-total of cash inflows from investment activities	**640,618.78**	**937,769.73**	**1,725,058.36**	**1,496,982.23**
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	1,566,894.15	3,693,606.84	5,201,584.95	4,281,810.94
Cash paid for investments	535,051.90	743,544.37	434,929.64	880,586.29
Net cash paid for acquisition of subsidiaries and other operating units	43,466.54	7,730.65	481,785.61	789,060.83
Cash paid in other investment activities	511,861.05	363,669.72	153,915.67	95,979.59
Sub-total of cash outflows in investment activities	**2,657,273.64**	**4,808,551.58**	**6,272,215.88**	**6,047,437.65**
Net cash flows from investment activities	**-2,016,654.86**	**-3,870,781.85**	**-4,547,157.52**	**-4,550,455.42**

Items	January to June 2017	2016	2015	2014
III. Cash flows from financing activities:				
Cash received from investments	125,248.22	407,494.61	521,227.05	430,835.10
Including: Cash received from investments of subsidiaries in minority interests	125,248.22	407,494.61	224,087.05	425,935.10
Cash received from issue of other equity instruments	–	150,000.00	2,115,109.04	498,555.00
Cash received from borrowings	6,991,763.47	13,932,564.74	17,703,380.88	14,308,072.30
Cash received from issue of bonds and short-term commercial papers	449,938.83	1,600,000.00	1,300,000.00	2,090,000.00
Cash received from other financing activities	152,152.73	–	317,627.87	369,058.78
Sub-total of cash inflows from financing activities	**7,719,103.25**	**16,090,059.35**	**21,957,344.83**	**17,696,521.18**
Cash paid in repayment of debts	5,609,402.70	12,031,888.86	16,291,341.12	12,493,337.88
Cash paid in dividend and profits distribution and interest payment	635,748.19	1,732,717.41	1,795,850.86	1,475,871.80
Including: Dividend and profits distribution of subsidiaries to minority shareholders	2,160.13	46,247.28	41,757.12	8,148.67
Cash paid in other financing activities	23,426.34	115,410.95	227,641.86	546,858.84
Sub-total of cash outflows in financing activities	**6,268,577.23**	**13,880,017.23**	**18,314,833.84**	**14,516,068.52**
Net cash flows from financing activities	**1,450,526.02**	**2,210,042.12**	**3,642,510.99**	**3,180,452.66**
IV. Effect of exchange fluctuation on cash	**-36,304.82**	**64,415.38**	**27,283.49**	**-11,934.79**
V. Net increase in cash and cash equivalents	**-811,166.80**	**1,375,964.43**	**2,313,742.60**	**-941,534.78**
Opening balance of cash and cash equivalents	10,871,977.59	9,496,013.16	7,182,270.56	8,123,805.35
Closing balance of cash and cash equivalents	10,060,810.79	10,871,977.59	9,496,013.16	7,182,270.56

6. Statement of Cash Flows of the parent

Unit: RMB'0000

Items	January to June 2017	2016	2015	2014
I. Cash flows from operating activities:				
Cash received from sales of goods and provision of services	2,985,370.85	4,741,098.06	5,437,409.03	1,546,024.33
Tax rebates received	–	38.49	–	–
Other cash received from operating activities	184,163.63	1,282,098.53	1,072,548.40	21,781.90
Sub-total of cash inflows from operating activities	**3,169,534.48**	**6,023,235.08**	**6,509,957.43**	**1,567,806.22**
Cash payment for good purchase and service	1,306,221.00	4,563,123.95	5,132,910.27	1,357,285.24
Cash payments to and on behalf of employees	28,057.45	55,286.94	34,438.54	20,967.84
Tax payments	119,152.40	66,201.03	35,454.65	26,589.36
Other cash payments for operating activities	4,649.16	24,268.56	36,377.45	1,164,904.48
Sub-total of cash outflows in operating activities	**1,458,080.02**	**4,708,880.48**	**5,239,180.91**	**2,569,746.93**
Net cash flows from operating activities	**1,711,454.45**	**1,314,354.60**	**1,270,776.52**	**-1,001,940.70**
II. Cash flows from investment activities:				
Cash received from sale of investments	–	1,500.00	–	0.00
Cash received from acquisition of investments	277,621.86	471,150.87	265,075.15	673,141.64
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	12.04	11.20	739.76	55.93
Net cash received from disposal of subsidiaries and other operating units	–	–	–	2,154.41
Cash received from other investment activities	325,249.24	120,262.24	149,004.19	134,080.97
Sub-total of cash inflows from investment activities	**602,883.14**	**592,924.31**	**414,819.11**	**809,432.95**

Items	January to June 2017	2016	2015	2014
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	2,528.32	6,426.48	6,373.17	6,950.11
Cash paid for investments	95,782.43	632,255.45	–	–
Net cash paid for acquisition of subsidiaries and other operating units	–	–	1,396,885.35	892,823.31
Cash paid in other investment activities	131,103.91	–	–	8,570.25
Sub-total of cash outflows in investment activities	**229,414.65**	**638,681.93**	**1,403,258.51**	**908,343.67**
Net cash flows from investment activities	**373,468.48**	**-45,757.62**	**-988,439.40**	**-98,910.72**
III. Cash flows from financing activities:				
Cash received from investments	1,333,145.32	1,787,226.03	3,137,515.07	2,192,333.86
Cash received from issue of bonds and short-term commercial papers	300,000.00	600,000.00	900,000.00	1,500,000.00
Cash received from issue of other equity instruments	–	–	–	498,555.00
Sub-total of cash inflows from financing activities	**1,633,145.32**	**2,387,226.03**	**4,037,515.07**	**4,190,888.86**
Cash paid in repayment of debts	1,556,749.28	2,015,063.71	2,687,311.75	3,141,351.97
Cash paid in dividend and profits distribution and interest payment	116,409.50	686,192.70	634,446.79	596,630.66
Cash paid in other financing activities	1,511,571.53	–	–	–
Sub-total of cash outflows in financing activities	**3,184,730.30**	**2,701,256.40**	**3,321,758.54**	**3,737,982.63**
Net cash flows from financing activities	**-1,551,584.98**	**-314,030.37**	**715,756.53**	**452,906.23**
IV. Effect of exchange fluctuation on cash	**-18,260.58**	**43,129.83**	**18,588.24**	**-3,850.68**
V. Net increase in cash and cash equivalents	**515,077.37**	**997,696.43**	**1,016,681.89**	**-651,795.87**
Opening balance of cash and cash equivalents	3,885,170.56	2,887,474.13	1,870,792.24	2,522,588.11
Closing balance of cash and cash equivalents	4,400,247.94	3,885,170.56	2,887,474.13	1,870,792.24

7. *Consolidated Statement of Changes in Shareholders' Equity*

Unit: RMB'0000

Item	2016 Attributable to shareholders of the parent: Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus capital	General risk provision	Unallocated profits	Sub-total	Minority interests	Total shareholders' equity
I. Opening balance	1,617,473.54	1,943,091.73	2,401,505.67	1,215,204.49	155,225.07	376,498.94	38,887.32	6,975,864.65	14,723,751.43	2,232,530.84	16,956,282.27
II. Changes during the year											
(I) Total comprehensive income											
1. Net profits	–	–	–	–	–	–	–	1,674,307.42	1,674,307.42	47,916.39	1,722,223.81
2. Other comprehensive income	–	–	–	-51,022.44	–	–	–	–	-51,022.44	9,951.43	-41,071.00
(II) Shareholders' capital contribution and capital reduction											
1. Shareholders' capital contribution	–	–	–	–	–	–	–	–	–	407,477.56	407,477.56
2. Capital contribution from owners of other equity instruments	–	–	–	–	–	–	–	–	–	150,000.00	150,000.00
3. Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	-73,174.72	-73,174.72
4. Others	–	–	17.05	–	–	–	–	–	17.05	-98.68	-81.63
(III) Profit distribution											
1. Appropriation to surplus reserve	–	–	–	–	–	44,427.02	–	-44,427.02	–	–	–
2. Profit distribution to shareholders	–	–	–	–	–	–	–	-307,918.45	-307,918.45	-19,909.98	-327,828.43
3. Appropriation to general risk provision	–	–	–	–	–	–	37,787.73	-37,787.73	–	–	–
4. Dividend distribution for preference shares	–	–	–	–	–	–	–	-71,750.00	-71,750.00	–	-71,750.00
5. Interest for perceptual medium-term notes	–	–	–	–	–	–	–	-30,000.00	-30,000.00	-25,548.92	-55,548.92
6. Others	–	–	–	–	–	–	–	-467.48	-467.48	–	-467.48
(IV) Special reserve											
1. Withdrawal during the year	–	–	–	–	437,282.28	–	–	–	437,282.28	237.71	437,519.99
2. Utilization during the year	–	–	–	–	-407,560.30	–	–	–	-407,560.30	-289.53	-407,849.83
III. Closing balance	1,617,473.54	1,943,091.73	2,401,522.72	1,164,182.06	184,947.06	420,925.96	76,675.05	8,157,821.40	15,966,639.52	2,729,092.10	18,695,731.63

Unit: RMB'0000

Item		Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus capital	General risk provision	Unallocated profits	Sub-total	Minority interests	Total shareholders' equity
		2015										
		Attributable to shareholders of the parent										
I.	**Opening balance**	1,617,473.54	498,555.00	2,106,490.18	1,205,679.56	145,022.29	346,101.56	10,778.83	5,777,507.02	11,707,607.98	1,512,045.69	13,219,653.67
II.	**Changes during the year**											
(I)	Total comprehensive income											
	1. Net profits	–	–	–	–	–	–	–	1,569,628.46	1,569,628.46	8,628.50	1,578,256.96
	2. Other comprehensive income	–	–	–	9,524.94	–	–	–	–	9,524.94	-4,732.46	4,792.48
(II)	Shareholders' capital contribution and capital reduction											
	1. Shareholders' capital contribution	–	–	297,140.00	–	–	–	–	–	297,140.00	223,639.81	520,779.81
	2. Capital contribution from owners of other equity instruments	–	1,444,536.73	–	–	–	–	–	–	1,444,536.73	670,572.30	2,115,109.04
	3. Others	–	–	-2,124.51	–	374.82	–	–	-5,076.39	-6,826.08	-140,777.17	-147,603.25
(III)	Profit distribution											
	1. Appropriation to surplus reserve	–	–	–	–	–	30,397.38	–	-30,397.38	–	–	–
	2. Profit distribution to shareholders	–	–	–	–	–	–	–	-277,752.56	-277,752.56	-24,797.00	-302,549.56
	3. Appropriation to general risk provision	–	–	–	–	–	–	28,108.49	-28,108.49	–	–	–
	4. Interest for perceptual medium-term notes	–	–	–	–	–	–	–	-30,000.00	-30,000.00	-12,245.31	-42,245.31
	5. Others	–	–	–	–	–	–	–	63.99	63.99	–	63.99
(IV)	Special reserve											
	1. Withdrawal during the year	–	–	–	–	426,838.43	–	–	–	426,838.43	1,076.77	427,915.20
	2. Utilization during the year	–	–	–	–	-417,010.47	–	–	–	-417,010.47	-880.29	-417,890.75
III.	**Closing balance**	1,617,473.54	1,943,091.73	2,401,505.67	1,215,204.49	155,225.07	376,498.94	38,887.32	6,975,864.65	14,723,751.43	2,232,530.84	16,956,282.27

Unit: RMB'0000

Item		2014										
		Attributable to shareholders of the parent										
		Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus capital	General risk provision	Unallocated profits	Sub-total	Minority interests	Total shareholders' equity
I.	**Opening balance**	1,617,473.54	–	2,101,741.85	637,077.18	144,792.04	251,345.85	5,360.85	4,792,837.81	9,550,629.12	1,004,104.79	10,554,733.91
II.	**Changes during the year**											
(I)	Total comprehensive income											
	1. Net profits	–	–	–	–	–	–	–	1,388,749.89	1,388,749.89	-12,512.74	1,376,237.15
	2. Other comprehensive income	–	–	–	568,602.37	–	–	–	–	568,602.37	3,235.19	571,837.57
(II)	Shareholders' capital contribution and capital reduction											
	1. Shareholders' capital contribution	–	–	–	–	–	–	–	–	–	434,729.10	434,729.10
	2. Capital contribution from owners of other equity instruments	–	498,555.00	–	–	–	–	–	–	498,555.00	–	498,555.00
	3. Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	–
	4. Others	–	–	4,748.33	–	255.91	–	–	-240.44	4,763.80	95,358.21	100,122.01
(III)	Profit distribution											
	1. Appropriation to surplus reserve	–	–	–	–	–	94,755.71	–	-94,755.71	–	–	–
	2. Profit distribution to shareholders	–	–	–	–	–	–	–	-303,470.39	-303,470.39	-12,973.29	-316,443.68
	3. Appropriation to general risk provision	–	–	–	–	–	–	5,417.98	-5,417.98	–	–	–
	4. Transfer to National Council for Social Security Fund	–	–	–	–	–	–	–	-10.89	-10.89	–	-10.89
	5. Others	–	–	–	–	–	–	–	-185.26	-185.26	-40.67	-225.93
(IV)	Special reserve											
	1. Withdrawal during the year	–	–	–	–	360,278.34	–	–	–	360,278.34	1,435.41	361,713.76
	2. Utilization during the year	–	–	–	–	-360,304.00	–	–	–	-360,304.00	-1,290.32	-361,594.32
III. Closing balance		1,617,473.54	498,555.00	2,106,490.18	1,205,679.56	145,022.29	346,101.56	10,778.83	5,777,507.02	11,707,607.98	1,512,045.69	13,219,653.67

8. Statement of Changes in Shareholders' Equity of the Parent

Unit: RMB'0000

Item	2016 Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus capital	Unallocated profits	Total shareholders' equity
I. Opening balance	1,617,473.54	1,943,091.73	2,507,499.14	835,704.85	4.19	377,056.25	1,515,232.53	8,796,062.24
II. Changes during the year								
(I) Total comprehensive income								
1. Net profits	–	–	–	–	–	–	444,270.16	444,270.16
2. Other comprehensive income	–	–	–	-107,526.22	–	–	–	-107,526.22
(II) Shareholders' capital contribution and capital reduction	–	–	5.36	–	–	–	–	5.36
(III) Disposal of subsidiaries	–	–	–	–	–	–	-32,735.26	-32,735.26
(IV) Profit distribution								
1. Appropriation to surplus reserve	–	–	–	–	–	44,427.02	-44,427.02	–
2. Profit distribution to shareholders	–	–	–	–	–	–	-307,918.45	-307,918.45
3. Dividend distribution for preference shares	–	–	–	–	–	–	-71,750.00	-71,750.00
4. Interest for perceptual medium-term notes	–	–	–	–	–	–	-30,000.00	-30,000.00
5. Others	–	–	–	–	–	–	-458.39	-458.39
(V) Special reserve								
1. Withdrawal during the year	–	–	–	–	3,525.62	–	–	3,525.62
2. Utilization during the year	–	–	–	–	-1,506.74	–	–	-1,506.74
III. Closing balance	1,617,473.54	1,943,091.73	2,507,504.50	728,178.63	2,023.06	421,483.27	1,472,213.57	8,691,968.31

Unit: RMB'0000

Item	2015 Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus capital	Unallocated profits	Total shareholders' equity
I. Opening balance	1,617,473.54	498,555.00	2,507,499.14	895,338.55	–	346,658.87	1,549,408.66	7,414,933.76
II. Changes during the year								
(I) Total comprehensive income								
1. Net profits	–	–	–	–	–	–	303,973.81	303,973.81
2. Other comprehensive income	–	–	–	-59,633.70	–	–	–	-59,633.70
(II) Shareholders' capital contribution and capital reduction								
Capital contribution from owners of other equity instruments	–	1,444,536.73	–	–	–	–	–	1,444,536.73
(III) Profit distribution								
1. Appropriation to surplus reserve	–	–	–	–	–	30,397.38	-30,397.38	–
2. Profit distribution to shareholders	–	–	–	–	–	–	-277,752.56	-277,752.56
3. Dividend distribution to owners of other equity instruments	–	–	–	–	–	–	-30,000.00	-30,000.00
(IV) Special reserve								
1. Withdrawal during the year	–	–	–	–	3,168.07	–	–	3,168.07
2. Utilization during the year	–	–	–	–	3,163.88	–	–	-3,163.88
III. Closing balance	1,617,473.54	1,943,091.73	2,507,499.14	835,704.85	4.19	377,056.25	1,515,232.53	8,796,062.24

Unit: RMB'0000

Item	2014 Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus capital	Unallocated profits	Total shareholders' equity
I. Opening balance	1,617,473.54	–	2,507,499.14	441,085.08	–	251,903.16	1,000,082.00	5,818,042.92
II. Changes during the year								
(I) Total comprehensive income								
1. Net profits	–	–	–	–	–	–	947,557.12	947,557.12
2. Other comprehensive income	–	–	–	454,253.46	–	–	–	454,253.46
(II) Shareholders' capital contribution and capital reduction	–	498,555.00	–	–	–	–	–	498,555.00
(III) Disposal of subsidiaries								
(IV) Profit distribution								
1. Appropriation to surplus reserve	–	–	–	–	–	94,755.71	-94,755.71	–
2. Profit distribution to shareholders	–	–	–	–	–	–	-303,470.39	-303,470.39
3. Transfer to National Council for Social Security Fund	–	–	–	–	–	–	-4.36	-4.36
III. Closing balance	1,617,473.54	498,555.00	2,507,499.14	895,338.55	–	346,658.87	1,549,408.66	7,414,933.76

(II) Changes In Scope Of Consolidated Statements

The scope of consolidated statements of the Company for the past three years and the latest period was in compliance with relevant rules of the Ministry of Finance and the Enterprise Accounting Standards. The major changes in the scope of consolidated statements of the Company for the past three years and the latest period and the relevant reasons are set out below:

January to June 2017	**Reason for the change**
Concremat Engenharia e Tecnologia S.A.	Acquisition of equity interest
2016	**Reason for the change**
Elimination:	
Sanya Phoenix Island International Cruise Terminal Development Co., Ltd.	Disposal of subsidiary
Foshan Guangming Expressway Co., Ltd.	Disposal of subsidiary
RBC Chongqing Fengshi Expressway Development Co., Ltd.	Disposal of subsidiary
RBC Chongqing Fengfu Expressway Development Co., Ltd.	Disposal of subsidiary
Chongqing Sihang Tonghe Expressway Investment Co., Ltd.	Disposal of subsidiary
2015	**Reason for the change**
Addition:	
John Holland Group Pty Ltd.	Business combination under non-common control
CCCC Dredging (Group) Co., Ltd.	Establishment of tier-1 subsidiary
CCCC Strait Construction Investment and Development Co., Ltd.	Establishment of tier-2 subsidiary
CCCC Huazhong Investment Co., Ltd.	Establishment of tier-2 subsidiary
CCCC Infrastructure Development Co., Ltd.	Establishment of tier-2 subsidiary
Beijing CCCC Equity Investment Fund I Partnership (Limited Partnership)	Establishment of tier-2 subsidiary
CCCC Urban Investment Co., Ltd.	Establishment of tier-2 subsidiary
CCCC Asset Management Co., Ltd.	Establishment of tier-2 subsidiary
CCCC Railway Consultants Group Co., Ltd.	Establishment of tier-2 subsidiary
Elimination:	
CCCC Foshan Investment and Development Co., Ltd.	Rearrangement for ways of investment return with external shareholders

2014	Reason for the change
Addition:	
Sanya Phoenix Island International Cruise Terminal Development Co., Ltd.	Acquisition of equity interest
CCCC Financial Leasing Co., Ltd.	Establishment of tier-2 subsidiary
Beijing CCCC Equity Investment Fund Partnership (Limited Partnership)	Establishment of tier-2 subsidiary
CCCC Yunnan Expressway Development Co., Ltd.	Establishment of tier-2 subsidiary
CCCC East China Investment Limited	Establishment of tier-2 subsidiary
CCCC Southwestern China Investment and Development Limited	Establishment of tier-2 subsidiary
CCCC Foshan Investment and Development Limited	Establishment of tier-2 subsidiary
CCCC Fund Management (Beijing) Co., Ltd.	Establishment of tier-2 subsidiary
Elimination:	
Chongqing Zhonggang Chaotianmen Changjiang Bridge Project Construction Co., Ltd.	Disposal of subsidiary

(III) Major Financial Indicators of the Company

Major financial indicators	January to June 2017	2016	2015	2014
Basic earnings per share (RMB)	0.41	0.97	0.95	0.86
Diluted earnings per share (RMB)	0.41	0.97	0.95	0.86
Basic earnings per share after extraordinary profit or loss (RMB)	0.36	0.87	0.86	0.72
Weighted average return on equity (%)	4.58	11.73	11.88	13.36
Weighted average return on equity after extraordinary profit or loss (%)	3.98	10.53	10.45	11.19

Major financial indicators	At the end of June of 2017	At the end of 2016	At the end of 2015	At the end of 2014
Net assets per share (RMB)	9.20	8.67	7.90	6.93

Note: The above data was calculated on consolidated basis.

(IV) Management Discussion and Analysis

In this section, unless otherwise stated, all financial data under this section refers to the data under the consolidated financial statements of the Company.

1. *Analysis of Asset Composition*

Unit: RMB'0000

Item	30 June 2017		31 December 2016		31 December 2015		31 December 2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Monetary funds	10,631,376.44	12.39%	11,463,722.10	14.30%	9,807,719.25	13.42%	7,803,980.68	12.38%
Trading financial assets	326,829.77	0.38%	49,738.80	0.06%	15,169.54	0.02%	19,722.30	0.03%
Bills receivables	193,861.58	0.23%	285,375.23	0.36%	243,625.14	0.33%	277,209.38	0.44%
Account receivables	8,805,834.71	10.26%	8,343,691.31	10.41%	6,384,577.76	8.73%	5,995,371.76	9.51%
Prepayments	1,975,317.52	2.30%	1,791,245.07	2.23%	1,940,875.68	2.65%	1,631,964.48	2.59%
Interest receivables	2,752.88	0.00%	1,046.94	0.00%	109.01	0.00%	7,895.72	0.01%
Other receivables	4,472,307.27	5.21%	4,078,319.74	5.09%	4,436,399.73	6.07%	4,203,678.94	6.67%
Dividend receivables	10,326.52	0.01%	6,655.95	0.01%	8,024.84	0.01%	10,515.67	0.02%
Inventories	15,794,932.53	18.41%	13,152,702.90	16.41%	12,574,266.68	17.20%	11,901,584.63	18.88%
Non-current assets due within one year	4,299,385.93	5.01%	4,171,087.01	5.20%	3,619,208.42	4.95%	2,855,800.64	4.53%
Other current assets	459,458.55	0.54%	371,082.11	0.46%	167,247.09	0.23%	753,216.09	1.19%
Total current assets	**46,972,383.69**	**54.75%**	**43,714,667.16**	**54.54%**	**39,197,223.14**	**53.62%**	**35,460,940.29**	**56.25%**
Available-for-sale financial assets	2,625,963.87	3.06%	2,167,932.77	2.70%	2,232,183.17	3.05%	2,220,511.02	3.52%
Held-to-maturity investments	23,549.47	0.03%	13,087.11	0.02%	27,981.76	0.04%	32,796.88	0.05%
Long-term receivables	9,728,676.49	11.34%	9,436,733.89	11.77%	7,669,392.98	10.49%	7,462,496.80	11.84%
Long-term equity investments	2,056,828.95	2.40%	1,913,434.40	2.39%	1,294,603.58	1.77%	1,008,616.58	1.60%
Investment properties	280,731.19	0.33%	287,666.91	0.36%	259,874.11	0.36%	120,565.13	0.19%
Fixed assets	5,842,173.73	6.81%	5,618,083.78	7.01%	5,437,727.40	7.44%	5,167,692.27	8.20%
Construction in progress	855,568.60	1.00%	1,016,037.25	1.27%	1,319,207.33	1.80%	1,138,692.57	1.81%
Intangible assets	15,990,867.67	18.64%	14,830,492.37	18.50%	14,504,396.51	19.84%	9,796,756.72	15.54%
Development expenditures	1,345.16	0.00%	997.74	0.00%	300.23	0.00%	414.7	0.00%
Goodwill	576,737.04	0.67%	520,986.61	0.65%	601,652.59	0.82%	153,711.93	0.24%
Long-term deferred expenses	43,408.71	0.05%	43,389.21	0.05%	34,864.96	0.05%	26,227.25	0.04%
Deferred income tax assets	464,419.47	0.54%	463,739.33	0.58%	411,690.53	0.56%	288,147.58	0.46%
Other non-current assets	332,194.26	0.39%	119,059.45	0.15%	113,982.83	0.16%	161,219.14	0.26%
Total non-current assets	**38,822,464.62**	**45.25%**	**36,431,640.82**	**45.46%**	**33,907,857.99**	**46.38%**	**27,577,848.57**	**43.75%**
Total assets	**85,794,848.31**	**100.00%**	**80,146,307.98**	**100.00%**	**73,105,081.13**	**100.00%**	**63,038,788.85**	**100.00%**

As at the end of each of 2014, 2015, 2016 and the first half of 2017, total assets of the Company amounted to RMB630.388 billion, RMB731.051 billion, RMB801.463 billion and RMB857.948 billion respectively. Total assets had increased gradually during the years with the expansion in business scale of the Company.

Current assets of the Company primarily included inventories, account receivables and monetary funds. As at the end of each of 2014, 2015, 2016 and the first half of 2017, current assets represented 56.25%, 53.62%, 54.54% and 54.75% of total assets respectively, which were relatively high. The relatively high proportion of current assets is in line with the characteristics of the construction industry, mainly due to:

(1) With the continuous implementation of the strategic plan of "experts in five areas", there was faster growth in infrastructure construction business of the Company, resulting in the increase in unsettled amount for completed works under inventories with higher proportion.

(2) As a feature of the construction industry, the Company usually adopts a credit sales policy such as installment, resulting in higher proportion of account receivables. Account receivables primarily included receivables for infrastructure construction and contracted payments for design works, receivables from dredging business and receivables from disposal of equipment and products.

(3) The construction industry, where the Company is operating in, is a capital-intensified industry. The Company has to maintain funds for the payment of raw materials, payrolls, contractor fees and other expenses. In addition, the Company has to maintain monetary at a certain level in its operations so as to fulfill the capital needs for daily operations. Hence, the proportion of monetary funds to total assets is maintained at a certain level. However, the monetary funds of the Company are insufficient for the growing business scale. The Company has to fulfill the capital needs for business development through various channels.

During the reporting period, non-current assets of the Company primarily included intangible assets, long-term receivables and fixed assets, mainly due to:

(1) Intangible assets primarily included concession, land use right, software, trademark and patent etc. As at the end of each reporting period, intangible assets grew year on year, mainly due to the increase in concessions for new BOT projects under business expansion of the Company.

(2) Long-term receivables primarily included long-term receivables for construction works, deposits for construction works and performance deposits etc. During the reporting period, the investment business scale increased gradually, resulting in the increase in long-term receivables.

(3) Fixed assets primarily included properties and buildings, ships, equipment, etc. During the reporting period, the Company maintained its fixed assets at a certain level so as to fulfill the needs for its operation management. Hence, fixed assets represented a certain proportion of total assets.

2. *Analysis of Liability Composition*

Unit: RMB'0000

Item	30 June 2017		31 December 2016		31 December 2015		31 December 2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Short-term borrowings	7,409,100.53	11.18%	6,362,961.85	10.35%	6,106,070.13	10.87%	6,812,475.03	13.67%
Trading financial liabilities	778.98	0.00%	1,610.78	0.00%	13,405.89	0.02%	4,839.95	0.01%
Notes payables	1,396,382.37	2.11%	1,444,655.33	2.35%	1,315,009.89	2.34%	1,416,749.72	2.84%
Account payables	17,673,242.87	26.66%	17,334,774.87	28.21%	14,312,876.84	25.49%	12,870,636.53	25.83%
Receipts in advance	10,381,570.54	15.66%	8,371,942.68	13.62%	8,244,447.72	14.68%	7,030,448.10	14.11%
Payroll payables	184,512.87	0.28%	192,586.68	0.31%	163,388.42	0.29%	138,148.34	0.28%
Tax payables	577,731.55	0.87%	631,250.95	1.03%	1,028,783.18	1.83%	1,141,126.32	2.29%
Interest payables	197,418.70	0.30%	141,981.79	0.23%	149,800.72	0.27%	204,704.38	0.41%
Dividend payables	427,344.70	0.64%	8,505.85	0.01%	9,421.93	0.02%	13,968.02	0.03%
Other payables	3,682,699.99	5.56%	3,454,251.01	5.62%	3,084,127.76	5.49%	1,830,336.06	3.67%
Non-current liabilities due within one year	2,932,225.90	4.42%	2,950,313.18	4.80%	2,234,966.56	3.98%	1,439,570.70	2.89%
Other current liabilities	1,010,401.96	1.52%	1,439,633.14	2.34%	499,565.57	0.89%	902,597.84	1.81%
Total liabilities	**45,873,410.96**	**69.21%**	**42,334,468.11**	**68.89%**	**37,161,864.60**	**66.18%**	**33,805,600.97**	**67.86%**
Long-term borrowings	16,107,737.52	24.30%	14,675,104.99	23.88%	13,456,084.54	23.97%	10,184,858.00	20.44%
Bonds payables	2,385,527.93	3.60%	2,614,581.78	4.25%	3,204,955.44	5.71%	3,383,495.32	6.79%
Long-term payables	1,017,976.43	1.54%	1,043,773.04	1.70%	908,887.08	1.62%	906,603.39	1.82%
Long-term payroll payables	125,246.05	0.19%	134,399.00	0.22%	170,206.00	0.30%	194,907.00	0.39%
Special payables	14,743.10	0.02%	15,001.13	0.02%	17,127.66	0.03%	14,625.53	0.03%
Expected liabilities	73,181.65	0.11%	45,897.34	0.07%	37,033.45	0.07%	58,640.88	0.12%
Deferred income tax liabilities	96,344.08	0.15%	444,108.36	0.72%	542,855.82	0.97%	569,054.36	1.14%
Deferred income – non-current liabilities	526,043.91	0.79%	86,881.14	0.14%	411,778.86	0.73%	461,768.09	0.93%
Other non-current liabilities	62,675.83	0.09%	56,361.47	0.09%	238,005.41	0.42%	239,581.63	0.48%
Total non-current liabilities	**20,409,476.49**	**30.79%**	**19,116,108.24**	**31.11%**	**18,986,934.25**	**33.82%**	**16,013,534.21**	**32.14%**
Total liabilities	**66,282,887.46**	**100.00%**	**61,450,576.35**	**100.00%**	**56,148,798.85**	**100.00%**	**49,819,135.18**	**100.00%**

As at the end of each of 2014, 2015, 2016 and the first half of 2017, total liabilities of the Company amounted to RMB498.191 billion, RMB561.488 billion, RMB614.506 billion and RMB662.829 billion respectively. With the expansion in business scale, the liability scale experienced an upward trend.

Current liabilities are the major composition of liabilities of the Company. As at the end of each of 2014, 2015, 2016 and the first half of 2017, current liabilities represented 67.86%, 66.18%, 68.89% and 69.21% of total liabilities respectively. Current liabilities primarily included account payables and receipt in advance, among which the proportion of account payables was the highest, mainly due to the payment for raw materials, construction fees for constructors, leasing fees, etc. incurred in principal business segments. Receipt in advance primarily included construction fee prepaid by owners, which increased as a result of the increase in settled amounts for unfinished works.

Non-current liabilities primarily included long-term borrowings and bonds payables. In order to fulfill the capital requirements for business growth, the Company continued to maintain financing through bank borrowings, issue of medium-term notes and issue of short-term commercial papers.

3. *Analysis of Solvency*

Financial indicator	30 June 2017/ January to June 2017	31 December 2016/2016	31 December 2015/2015	31 December 2014/2014
Current ratio (times)	1.02	1.03	1.05	1.05
Quick ratio (time)	0.68	0.72	0.72	0.70
Gearing ratio (statements of the parent) (%)	62.55	62.03	57.83	57.82
Gearing ratio (consolidated statements) (%)	77.26	76.67	76.81	79.03
Net cash flows from operating activities (RMB'0000)	-208,733.14	2,972,288.78	3,191,105.63	440,402.76

As at the end of each reporting period, the current ratio and quick ratio of the Company were maintained at a stable level, thus bringing greater protection for short-term solvency. The gearing ratio based on the consolidated statements demonstrated a downward momentum, but was maintained at a high level in general. In 2014, 2015 and 2016, net cash flows from operating activities were positive, reflecting satisfactory cash flows from principal operations of the Company. From January to June 2017, net cash flows from operating activities amounted to RMB-2,087.3314 million mainly due to the seasonal settlement effects.

4. *Analysis of Operating Ability*

Financial indicator	January to June 2017	2016	2015	2014
Receivables turnover ratio (time(s)/year)	2.22	5.86	6.53	6.18
Inventories turnover ratio (time(s)/year)	1.13	2.86	2.80	2.91
Total assets turnover ratio (time(s)/year)	0.23	0.56	0.59	0.64

Note: Indicators on operating ability for 2017 have not been annualized.

During the reporting period, the business structure of the Company was relatively stable. Operating income and assets scale grew gradually, and various operating ability indicators maintained at satisfactory levels, reflecting the steady operating efficiency of the Company.

5. *Analysis of Profitability*

Unit: RMB'0000

	January to June 2017		2016		2015		2014	
Item	Amount	Proportion to revenue	Amount	Proportion to revenue	Amount	Proportion to revenue	Amount	Proportion to revenue
Revenue	19,010,148.11	100%	43,174,342.98	100%	40,442,045.20	100%	36,667,323.40	100%
Operating costs	16,392,000.75	86.23%	36,740,478.05	85.10%	34,294,334.75	84.80%	31,676,531.31	86.39%
Business taxes and surcharges	80,313.83	0.42%	449,050.54	1.04%	1,031,520.69	2.55%	926,491.01	2.53%
Selling expenses	39,613.33	0.21%	84,615.04	0.20%	69,641.59	0.17%	52,773.41	0.14%
Administrative expenses	1,103,517.68	5.80%	2,774,423.82	6.43%	2,294,040.85	5.67%	1,798,645.16	4.91%
Finance costs	374,856.89	1.97%	763,174.35	1.77%	734,497.67	1.82%	699,371.57	1.91%
Operating profits	1,017,928.43	5.35%	2,123,010.81	4.92%	1,852,113.26	4.58%	1,697,857.91	4.63%
Gross profits	1,039,333.13	5.47%	2,222,528.33	5.15%	1,941,016.18	4.80%	1,756,188.74	4.79%
Net profits	781,106.55	4.11%	1,722,223.81	3.99%	1,578,256.96	3.90%	1,376,237.15	3.75%
Net profits attributable to owners of the parent	753,827.80	3.97%	1,674,307.42	3.88%	1,569,628.46	3.88%	1,388,749.89	3.79%

Revenue of the Company included revenue from core businesses such as infrastructure construction, infrastructure design and dredging. Revenue of the Company recorded steady growth during the past three years and the latest period, mainly due to:

(1) With the full implementation of the strategic plan of "experts in five areas", the Company actively explored new markets, enhanced synergy effect and business value added, continued to improve the quality and standard of the development for infrastructure construction business, gradually facilitated the transformation of business growth mode, and promoted the continuous increase in orders and expansion in business scale for infrastructure construction business. Hence, revenue from infrastructure construction increased gradually;

(2) During the reporting period, by fully leveraging its leading position in the industry chain of infrastructure design business, the Company continued to enrich the content and mode of the design business, thereby fully exploit the value added in the service chain and promote the gradual increase in revenue from infrastructure design;

(3) During the reporting period, the Company actively expanded to overseas markets. Its market share in the global market and resources allocation ability improved with new progress made in internationalization development. Moreover, the market influence and international brand recognition of the Company had increased. Revenue from overseas businesses of the Company had gradually increased.

Operating costs of the Company primarily included costs for raw materials, contractor fees, payrolls, leasing fees and asset depreciation and amortization expenses etc. During the last three years and the latest period, the growth in operating costs was in line with that of revenue. The increase in operating costs was faster, mainly due to:

(1) With the enhancement in operation and management standards and the increase in amount of new contracts, the scale of construction projects conducted by the Company has been increased gradually, resulting in faster growth in costs for raw materials used in construction projects;

(2) With the continuous expansion in business scale, contractor fees payable to contractors had increased accordingly;

(3) With the rise in labor costs in the whole society, as well as the increase in number of construction workers arising from the expansion in construction scale, the labor costs paid by the Company had increased accordingly.

Among the expenses for the period, the proportion of administrative expenses was relatively high, which primarily included payrolls, research and development expenses, travelling fees, office fees, and relevant asset depreciation and amortization etc. In 2014, 2015, 2016 and January to June 2017, administrative expenses represented 4.91%, 5.67%, 6.43% and 5.80% of revenue for the period respectively. The Company had established a comprehensive internal control system, which enabled the Company to control various administrative expenses proactively and effectively while expanding the business scale. The proportion of administrative expenses was maintained at a reasonable level.

In 2014, 2015, 2016 and January to June 2017, net profits attributable to shareholders of the Company under the consolidated statements were RMB13,887.4989 million, RMB15,696.2846 million, RMB16,743.0742 million and RMB7,538.2780 million respectively. During the last three years and the latest period, various businesses of the Company developed steadily. There was an upward trend in revenue scale. Costs and expenses were under control effectively, while profitability grew steadily.

IV. USE OF PROCEEDS FROM THE PUBLIC OFFERING OF A SHARE CONVERTIBLE BONDS

The total amount of proceeds from the proposed public issuance of A Share Convertible Bonds will not exceed RMB20 billion (inclusive), which will be used for the following projects after deducting the related issuance expenses:

Unit: RMB'0000

No.	**Item**	**Total investment** *(RMB'0000)*	**Amount of proceeds to be used** *(RMB'0000)*
1.	**Infrastructure investments**		
1.1	Guigang-Long'an Highway Project in Guangxi	1,975,000	536,686
1.2	G575 Barköl-Hami Highway Construction Project in Xinjiang	601,673	277,156
1.3	Wuhan-Shenzhen Highway (Jiayu North Section) Construction Project	381,606	272,785
1.4	Eastern Extension Line of Wenzhou Avenue (Qianjiang Road-Wenqiang Line) Municipal Road Construction Project	56,405	50,657
1.5	Changle-Pingtan Expressway (Changle Guhuai-Songxia section) construction project	326,118	28,522
1.6	Jiulongpo-Yongchuan Highway (Chengyu Expressway Expansion) Project in Chongqing	535,254	50,746
Subtotal		**3,876,057**	**1,216,552**

No.	Item	Total investment *(RMB'0000)*	Amount of proceeds to be used *(RMB'0000)*
2.	**Purchase of engineering ships and mechanical equipment**		
2.1	Purchase of engineering ships	246,200	246,200
2.2	Purchase of engineering mechanical equipment	537,248	537,248
Subtotal		**783,448**	**783,448**
Total		**4,659,505**	**2,000,000**

If the net proceeds from the issuance are less than the amount of the proceeds proposed to be invested in the above projects, the Company will adjust and determine the final specific investment projects to be financed by the proceeds, order of priority and the specific investment amounts of each project based on the actual net proceeds and the priority of each project, and will make up the shortfall by utilizing the own funds of the Company or through other financing methods.

Before the receipt of the proceeds from the issuance of A Shares Convertible Bonds, the Company will implement the projects using its own funds depending on the actual progress of the projects. Such capital will be replaced according to the relevant regulations upon the receipt of the proceeds.

V. PROFIT DISTRIBUTION POLICY AND DISTRIBUTION CONDITIONS OF THE COMPANY

(I) Recent Profit Distribution Policy of the Company

Pursuant to the Articles of Association and the Resolution on the Shareholders' Return Plan for the Next Three Years (2014-2016) considered and approved at the 2015 First Extraordinary General Meeting of the Company, the recent profit distribution policy of the Company is as follows:

1. Factors Considered and Basic Principles for Return on Shareholders' Dividends

The Company will focus on its long-term and sustainable development. In compliance with the relevant laws and regulations, regulatory requirements and the profit distribution requirements in the Articles of Association, taking into overall consideration factors such as the Company's actual situation, development plans, shareholders' needs and wills, cost of social capital and external financing environment, and giving full consideration to the Company's current and future profit scale, cash flow position, stage of development, capital needs and financing plans, the Company has established a sustained, stable and scientific return plan and mechanism for investors in order to make institutional arrangements on dividend distribution to secure the continuity and stability of the dividend distribution policy.

The basic principles of the return on shareholders' dividends include:

(1) The Company shall implement a sustainable and stable profit distribution policy, giving weight to the reasonable return on investments to investors while taking into account the sustainable development of the Company;

(2) On the premise of ensuring the normal business operation and development of the Company, the Company shall stick to the principle of dividend distribution in form of cash.

In addition, the Company has complied with the regulatory requirements on the profit distribution and cash dividend policy of listed companies under the Guideline No. 3 on Supervision and Administration of Listed Companies – Cash Dividends of Listed Companies promulgated by CSRC to further optimize its cash dividend system, improve the transparency of cash dividend and sustain the consistency, reasonableness and stability of the cash dividend policy.

2. Shareholders' Dividend Return Plan for 2014 to 2016

The Shareholders' Dividend Return Plan of the Company takes full consideration of and listens to the wills and needs of the shareholders, especially the public shareholders in the society. On the premise of ensuring the normal business operation and development of the Company, the Company shall stick to the principle of dividend distribution in form of cash, save for the special circumstances determined by the Board of the Company. The annual cash dividend distributed by the Company to the ordinary shareholders shall be no less than 10% of the profit attributable to ordinary shareholders for the current period. In case of profit distribution in the form of scrip, the Company's development, the dilution of net assets per share, profit distribution in the form of shares being beneficial to the interests of all shareholders of the Company as a whole and other actual and reasonable factors shall be given consideration.

Taking into overall consideration factors such as its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement and pursuant to the procedures stipulated in the Articles of Association, the Board of the Company shall formulate a differentiated cash dividend policy by specifying the proportion of cash dividend to the amount of profit distribution for the year in compliance with the laws, regulations, normative documents and the relevant rules of the stock exchanges.

3. Decision Making Mechanism of the Return on Shareholders' Dividends

In the process of determining the profit distribution plan, the Board shall have sufficient discussion with the independent Directors. While taking into consideration the continuous, stable and scientific returns to all shareholders, the Board shall study and discuss, among others, the timing, conditions as well as the minimum ratio, conditions for adjustments and the requirements of the procedures for decision making in respect of the cash dividend distribution, and formulate a profit distribution proposal which the independent Directors shall give specific opinions thereon. The formulation and implementation details of the profit distribution plan shall be disclosed in the annual report. The profit distribution proposal shall be approved by more than one half of the Directors in the Board and shall be submitted to the general meeting for consideration and approval only after the independent Directors giving their opinions thereon. Prior to the general meeting, the independent Directors of the Company may solicit proxy from the public shareholders of the Company in the society in respect of voting rights at general meeting. In such case, the independent Directors shall obtain consent from more than one half of all independent Directors.

Prior to the consideration of the specific cash dividend distribution proposal at the general meeting, the Company shall communicate and exchange ideas through a variety of channels with shareholders (in particular minority shareholders), attentively obtain the opinion and requests of the minority shareholders and give timely response to the issues that concern them.

The Company shall comply with the Shareholders' Return Plan. If it is necessary to adjust or change the cash dividend distribution policy as determined based on the Articles of Association as a result of the substantial adverse impact on the Company's business due to force majeure events or significant changes in the external operating environment, or because the Company has major investment plan or significant cash expenditure (excluding the projects funded by raised proceeds) for its business needs, the adjusted profit distribution policy should focus on protecting the rights and interests of the shareholders and shall pay full attention to the opinions from the shareholders (especially the public shareholders in the society), independent Directors and the Supervisory Committee. If the Board proposes to adjust or change the profit distribution policy (especially the cash dividend distribution policy), it shall have thorough discussion with the reasons provided. The independent Directors and the relevant intermediaries (if any) shall give specific opinions on whether the proposal in respect of the adjustment or change in the profit distribution policy (especially the cash dividend distribution policy) harms the legitimate rights and interests of minority shareholders. The Company shall disclose the specific reasons and the specific opinions of the independent Directors in the annual report. The proposals in relation to the profit distribution policy (especially those in relation to the adjustment in the cash dividend distribution policy) at the general meeting shall be approved by more than two-thirds of the voting rights represented by the shareholders present at the general meeting.

(II) Shareholders' Return Plan for the Next Three Years of the Company

The Shareholders' Return Plan for the Next Three Years (2017-2019) of China Communications Construction Company Limited was considered and approved at the 38th meeting of the third session of the Board and will be submitted to the general meeting for consideration and approval. Pursuant to the plan, the future profit distribution policy of the Company will be as follows:

1. *Method of Profit Distribution*

The Company may implement dividend distribution in the form of cash or shares. Subject to the satisfaction of the conditions for distribution of cash dividend, profit distribution in the form of cash dividend shall prevail. The annual cash dividend distributed by the Company to the ordinary shareholders shall be no less than 10% of the profit attributable to ordinary shareholders for the current period. In case of profit distribution in the form of scrip, the Company's development, the dilution of net assets per share, profit distribution in the form of shares being beneficial to the interests of all shareholders of the Company as a whole and other actual and reasonable factors shall be given consideration.

2. *Intervals of Profit Distribution*

The Company shall distribute its profits once every year. It may also distribute interim dividends.

3. *Conditions and Proportion of Cash Dividends*

(1) The Company shall take comprehensive consideration to the overall development of its industry and its industry position as well as the recent capital expenditure arrangements to determine the proportion of cash dividend in profit distribution:

a. If the Company is at the mature stage of development and has no significant capital expenditure arrangement, the proportion of cash dividends shall be at least 80% in the profit distribution;

b. If the Company is at the mature stage of development and has significant capital expenditure arrangement, the proportion of cash dividends shall be at least 40% in the profit distribution;

c. If the Company is at the growing stage and has significant capital expenditure arrangement, the proportion of cash dividends shall be at least 20% in the profit distribution;

If it is difficult to distinguish the Company's stage of development but there is significant capital expenditure arrangement, the profit distribution may be dealt with pursuant to the rules applied in the previous distribution.

The aforesaid significant capital expenditure refers to the proposed external investment, asset acquisition or purchase of equipment by the Company in the next twelve months with accumulated expenses amounting to or exceeding 10% of the latest audited net assets of the Company.

(2) The accumulated cash profits distributed by the Company in previous three years shall not be less than thirty percent of the average annual distributable profits realized in the previous three years.

a. If the Board does not make a cash dividend distribution proposal or the proposed dividend is less than the abovementioned proportion when the Company records a profit for the year, the Board shall make a special statement to the general meeting and in detail explain in the annual report for such year the reasons for not distributing cash dividends and the purpose of the undistributed funds to be kept by the Company, on which the independent Directors shall give an independent opinion. The independent Director shall also give an independent opinion on the undistributed funds in the previous year. The above opinions of the independent Directors shall be disclosed.

b. If the accumulated cash profits distributed by the Company in previous three years are less than thirty percent of the average annual distributable profits realized in the previous three years, the Company shall not issue to the public new shares, shares convertible into corporate bonds or place shares with existing shareholders.

4. Conditions of Profit Distribution in the Form of Shares

If the Company has a good business condition with reasonable size of share capital and the Board believes that distributing profit in the form of shares is beneficial to the Company's growth and the interests of all shareholders, the Board may propose a profit distribution proposal in the form of shares.

5. Decision Making Procedures for Profit Distribution

(1) The profit distribution proposal of the Company is formulated by the Board according to the requirements of the Articles of Association as well as the profit and capital needs of the Company every year. The proposal is then submitted to the general meeting for consideration and approval after being considered and approved by the Board and the independent Directors giving opinions. When considering and approving the profit distribution proposal at the Board, the proposal shall be approved by more than one half of all Directors in the Board. The independent Directors shall also give an independent opinion on the profit distribution proposal, and such proposal shall be approved by more than one half of independent Directors of the Company.

(2) In the case where the certified public accountants provides an illustrative explanation to the financial statements of the Company, or makes an qualified opinion or indicates its failure to provide an opinion or have a negative opinion on the auditor's report, the Board shall explain at the general meeting the details of the events which led the accountants forming such views and the impact thereof on the financial position and business condition of the Company. In the case that such event has direct impact on the profit of the relevant period, the Board shall determine the profit distribution proposal and proposal of capitalization of reserve based on the principle of lower threshold.

(3) In the process of determining the profit distribution plan, the Board shall have sufficient discussion with the independent Directors. While taking into consideration of the continuous, stable and scientific returns to all shareholders, the Board shall study and discuss, among others, the timing, conditions as well as the minimum ratio, conditions for adjustments and the requirements of the procedures for decision making in respect of the cash dividend distribution and formulate a profit distribution proposal which the independent Directors shall give specific opinions thereon. The formulation and implementation details of the profit distribution plan shall be disclosed in the annual report. Prior to the general meeting, the independent Directors of the Company may solicit proxy from the public shareholders of the Company in the society in respect of voting rights at general meeting. In such case, the independent Directors shall obtain consent from more than one half of all independent Directors. The independent Directors may also collect opinions from the minority shareholders, propose a dividend proposal and directly submit such proposal to the Board for consideration and approval.

(4) When considering and approving the profit distribution proposal at the general meeting, the proposal shall be approved by more than one half of the voting rights represented by the shareholders (including the proxies) present at the general meeting. When considering of the specific cash dividend distribution proposal at the general meeting, the Company shall communicate and exchange ideas through a variety of channels with shareholders (in particular minority shareholders), attentively obtain the opinion and requests of the minority shareholders and give timely response to the issues that concern them. The Board, the independent Directors and qualified shareholders may solicit proxy from the shareholders of the Company in respect of voting rights at a general meeting.

The Company shall comply with the Shareholders' Return Plan. If it is necessary to adjust or change the cash dividend distribution policy as determined based on the Articles of Association as a result of the substantial adverse impact on the Company's business due to force majeure events or significant changes in the external operating environment, or because the

Company has major investment plan or significant cash expenditure (excluding the projects funded by raised proceeds) for its business needs, the adjusted profit distribution policy should focus on protecting the rights and interests of the shareholders and shall pay full attention to the opinions from the shareholders (especially the public shareholders in the society), independent Directors and the Supervisory Committee. If the Board proposes to adjust or change the profit distribution policy (especially the cash dividend distribution policy), it shall have thorough discussion with the reasons provided. The independent Directors and the relevant intermediaries (if any) shall give specific opinions on whether the proposal in respect of the adjustment or change in the profit distribution policy (especially the cash dividend distribution policy) harms the legitimate rights and interests of minority shareholders. The Company shall disclose the specific reasons and the specific opinions of the independent Directors in the annual report. The proposals in relation to the profit distribution policy (especially those in relation to the adjustment in the cash dividend distribution policy) at the general meeting shall be approved by more than two-thirds of the voting rights represented by the shareholders present at the general meeting.

(5) The Supervisory Committee shall supervise the Board and the management in implementing the cash dividend distribution policy and the decision making procedure of the Company.

6. Formulation Cycle of Shareholders' Return Plan and the Relevant Decision Making Mechanism

(1) The Board shall reconsider the plan every three years and shall make timely amendments to the plan pursuant to the changes in laws, regulations or policies in order to ensure the plan's compliance with the relevant laws and regulations and the profit distribution plan as determined by the Articles of Association.

(2) In the coming three years, in case of any adjustments on the plan due to significant changes in the external operating environment or the Company's business conditions, the new shareholders' return plan shall comply with the relevant laws and regulations and the Articles of Association.

(3) The relevant proposals on the adjustment or change in the shareholders' return plan shall be drafted and formulated by the Board and shall be submitted to the Board meeting for consideration and approval only after the approval of the independent Directors. The independent Directors shall give opinions on the relevant proposals on the adjustment or change in the shareholders' return plan. The relevant proposals shall be submitted to the general meeting upon consideration and approval by the Board and shall be approved by more than two-thirds of the voting rights represented by the shareholders (including the proxies) present at the general meeting.

7. Implementation of Dividend Distribution Plan

The Company shall satisfy all of the following for the implementation of cash dividend distribution:

(1) The distribution profit realized (i.e. the after-tax distributable profit after recovery of losses, appropriation of statutory reserve funds and pre-agreed dividend payment to preference Shareholders) by the Company for the year is positive;

(2) The cash flow of the Company can satisfy the needs for normal operation and long-term development.

If case of any of the following circumstances, the Company may choose not to proceed with cash dividend distribution:

(1) The amount of profit attributable to the shareholders recorded for the year is not sufficient for actual distribution;

(2) A standard unqualified audit report is not issued by an auditor for the financial report of the Company during the year;

(3) The difficulties in the cash flows of the Company cause the Company to fail to make timely repayment for its financing became due;

(4) The Company faces a crisis in making external payments;

(5) The profit from non-recurring profit or loss, capital reserve arising from the change in fair values and undistributed profits of the Company shall not be used in cash dividend distribution;

(6) The accumulated expenditure for proposed external investment, asset acquisition or purchase of equipment by the Company in the next twelve months exceeds 20% of the latest audited net assets of the Company;

(7) Other circumstances as stipulated by the regulatory authorities.

(III) Profit Distribution of the Company in the Previous Three Years

1. Profit Distribution:

2014 profit distribution plan: The Company distributed cash dividends of RMB2,778 million (tax inclusive) in total to the Shareholders based on their shareholdings. The profit distribution plan was approved at the general meeting and the distribution was completed.

2015 profit distribution plan: The Company distributed cash dividends of RMB3,079 million (tax inclusive) in total to the Shareholders based on their shareholdings. The profit distribution plan was approved at the general meeting and the distribution was completed.

2016 profit distribution plan: The Company distributed cash dividends of RMB3,145 million (tax inclusive) in total to the Shareholders based on their shareholdings. The profit distribution plan was approved at the general meeting and the distribution was completed.

2. Cash Dividend Distribution:

The cash dividend distribution of the Company in the previous three years is as follows:

Unit: RMB'0000

Year	**Cash dividends (tax inclusive)**	**Net profit attributable to the Shareholders in the consolidated statements for the year**	**Proportion to the net profit attributable to the Shareholders in the consolidated statements**
2016	314,501.56	1,572,557.42	20.00%
2015	307,925.69	1,539,628.46	20.00%
2014	277,752.56	1,388,749.89	20.00%
The proportion of the accumulated cash dividends for the previous three years to the average net profit for the previous three years			60.00%

To further expand and strengthen core business of the Company, improve core competitiveness of the Company, strengthen capital structure of the Company, maintain sustainable development of the Company, consolidate and enhance the position of the industry, and provide investors with better investment return, the Company intends to raise funds through the Proposed Issuance of A Share Convertible Bonds to invest in infrastructure investments, and purchase of engineering ships and mechanical equipment.

I. USE OF PROCEEDS

The total amount of proceeds from the Proposed Issuance of A Share Convertible Bonds will not exceed RMB20 billion (inclusive), which will be used for the following projects after deducting the issuance expenses:

Unit: RMB'0000

No.	Item	Total investment	Amount of proceeds to be used
1.	**Infrastructure investments**		
1.1	Guigang-Long'an Highway Project in Guangxi	1,975,000	536,686
1.2	G575 Barköl-Hami Highway Construction Project in Xinjiang	601,673	277,156
1.3	Wuhan-Shenzhen Highway (Jiayu North Section) Construction Project	381,606	272,785
1.4	Eastern Extension Line of Wenzhou Avenue (Qianjiang Road-Wenqiang Line) Municipal Road Construction Project	56,405	50,657
1.5	Changle-Pingtan Expressway (Changle Guhuai-Songxia section) construction project	326,118	28,522
1.6	Jiulongpo-Yongchuan Highway (Chengyu Expressway Expansion) Project in Chongqing	535,254	50,746
Subtotal		**3,876,057**	**1,216,552**
2.	**Purchase of engineering ships and mechanical equipment**		
2.1	Purchase of engineering ships	246,200	246,200
2.2	Purchase of engineering mechanical equipment	537,248	537,248
Subtotal		**783,448**	**783,448**
Total		**4,659,505**	**2,000,000**

If the net proceeds from the issuance are less than the amount of the proceeds proposed to be invested in the above projects, the Company will adjust and determine the final specific investment projects to be financed by the proceeds, order of priority and the specific investment amounts of each project based on the actual net proceeds and the priority of each project, and will make up the shortfall by utilizing the own funds of the Company or through other financing methods.

Before the receipt of the proceeds from the issuance of A Share Convertible Bonds, the Company will implement the projects using its own funds depending on the actual progress of the projects. Such capital will be replaced according to the relevant regulations upon the receipt of the proceeds.

II. THE NECESSITY AND FEASIBILITY OF PROJECT IMPLEMENTATION

(I) Necessity of Project Implementation

1. Regional strategic coordinated development in China brings huge room for the infrastructure business

During the "Thirteenth Five-Year Plan" period, the three major urban clusters of Beijing-Tianjin-Hebei Region, the Yangtze River Economic Zone and the Pan-Pearl River Delta are expected to develop in a coordinated manner, which will bring huge room for the infrastructure business. Coordinated development of Beijing-Tianjin-Hebei Region is an important strategy for inter-regional development in China. In 2016, capital investment in Beijing-Tianjin-Hebei Region totaled RMB1,225.9 billion, up by 15.8% over the same period of last year. The accumulated investment amount during the "Thirteenth Five-Year Plan" period will reach an amount of over RMB800 million. The construction of transportation system in Yangtze River Economic Zone also is strategically important. It is expected that by 2020, the Yangtze River Economic Zone will have inland waterway mileage of 89,000 km, railway mileage of 40,000 km, highway mileage of 2,000,000 km, urban rail transit operational mileage of 3,600 km, 180 trunk line river bridges (including tunnels). It is estimated that the construction of the integrated three-dimensional traffic corridor in 2014-2020 will bring about an investment amount of RMB8.46 trillion. The Pan-Pearl River Delta region includes nine provinces, i.e. Fujian, Jiangxi, Hunan, Guangdong, Guangxi, Hainan, Sichuan, Guizhou and Yunnan, as well as the Special Administrative Regions of Hong Kong and Macao, one of the most dynamic areas in China with growth potential. During the "Thirteenth Five-Year Plan" period, the link of different modes of transport and construction of comprehensive transportation hubs in the region will be strengthened to establish a safe, low-carbon and convenient comprehensive transportation system. The investment in infrastructure will exceed one trillion during the "Thirteenth Five-Year Plan" period.

In light of the policy opportunities and market fundamentals, as a leading enterprise in the infrastructure industry, the Company is expected to further expand its business scale, and its capital requirements will increase accordingly. With a higher gearing ratio, the Company needs to provide long-term financial support for further business expansion through equity financing to lay a solid foundation for the business development of the Company.

2. The construction of "One Belt, One Road" achieves phase success, with substantial infrastructure needs from countries along the routes

Countries along "One Belt, One Road" are characterized by poor infrastructure and substantial needs for infrastructure. According to the latest report from the Asian Development Bank, from 2016 to 2030, infrastructure demand in Asia will exceed USD22.6 trillion, with an average annual infrastructure demand of more than USD1.5 trillion. In 2016, 8,158 contracts were signed by Chinese enterprises for newly signed outbound contracting projects in 61 countries covered by "One Belt, One Road" with a contract amount of USD126.03 billion, representing an increase of 36% and accounting for 51.6% of the contract amount for newly signed outbound contracting projects during the corresponding period. During the same year, Chinese enterprises achieved a total turnover of USD759.7 billion in countries along "One Belt, One Road", representing an increase of 9.7% and accounting for 47.7% of the total turnover during the corresponding period. With the successful convening of the Belt and Road Forum in May 2017, relevant supportive policies are in place to accelerate the procurement of orders from overseas construction enterprises, leading to a constant increase in overseas orders. Under the "One Belt, One Road" policy, the central government-led infrastructure enterprises witness significant growth in their overseas business with increasing share of contribution.

With the favorable policy advantages arising from the "One Belt, One Road" policy, the growth rate in orders of the Company's overseas business accelerates, and the business scale will be significantly expanded. In 2016, the growth rate of overseas orders of the Company was 43.2%, which was higher than that of domestic orders, and the proportion of overseas business also increased to approximately 30%. Therefore, the Company has an urgent need for equity financing to provide long-term financial support for the rapid expansion of overseas business.

3. The promotion of PPP model brings immense opportunities for the development of infrastructure business

Since the kick-off of the supply side reform in 2015, with the gradual standardization of debt financing by local governments, the PPP model revolutionizes the investment and financing system through the introduction of private capital, and changes the long-term reliance on the government in promoting infrastructure construction. To facilitate urban development, with strong support of the central policy, the provincial and municipal governments have issued supportive documents one after another, thus actively expanding the financing channels for urban infrastructure and public utilities construction and promoting the use of PPP model to introduce domestic enterprises with construction and investment capacity to carry out construction and development of local projects. By leveraging the respective advantages of government and social capital, the government charging period of financial facilities is extended in a reasonable manner to reduce the annual direct investment pressure on the government while improving the quality and efficiency of public municipal facilities.

During the recent years, the Company has been actively developing BOT and other businesses to seize the opportunities brought by the rapid development of the PPP model and strive to become an integrated investment and operation service provider of PPP model projects covering the full life cycle of transportation infrastructure services including investment, design, construction, operation and management. Since the beginning of 2016, the business scale of BOTs newly undertaken by the Company has gradually surpassed the traditional business. As the project reserves are abundant and the number of projects in operation is relatively huge, with a constant high gearing ratio, the Company has an urgent need for equity financing to facilitate the smooth implementation of the projects.

4. *The rapid growth of the Company's infrastructure business puts forward higher requirements for engineering ships and mechanical equipment*

Pursuant to a series of national policies including the Outline of the National "Thirteenth Five-Year Plan" (《國家「十三五」規劃綱要》) and the Notice on "Thirteenth Five-Year Plan" of Modern Comprehensive Transportation System Issued by the State Council (Guo Fa [2017] No. 11) (《國務院關於印發「十三五」現代綜合交通運輸體系發展規劃的通知》(國發[2017]11號)), the Opinions on Promoting the Continuous Healthy Development of the Construction Industry (Guo Ban Fa [2017] No. 19) (《關於促進建築業持續健康發展的意見》(國辦發[2017]19號)), the Notice on the "Thirteenth Five-Year Plan" of Engineering Survey and Design Industry Development issued by the Ministry of Housing and Urban-Rural Development (Jian Shi [2017] No. 102) (《住房城鄉建設部關於印發工程勘察設計行業發展「十三五」規劃的通知》(建市[2017]102號)), it is expected that the investment scale of infrastructure will maintain a high growth rate in the next few years, and the fixed assets of infrastructure in rail transit, municipal administration, utility tunnels and bridges will maintain a high growth rate. The scope of the infrastructure business of the Company mainly involves the construction of roads, bridges, tunnels, railways, ports and other facilities both on a country level and international level. Leveraging on policy opportunities and the leading position of the Company, the infrastructure business of the Company will maintain rapid growth. Although the Company has seen a better improvement in the equipment structure, compared with the rapid development of market demand, investments in various types of engineering equipment can hardly satisfy the demand for engineering construction, particularly in urban rail transit, highways, submarine tunnels, sea bridges and other fields, where the competitiveness of core equipment has plenty of room for improvement. For difficult engineering project such as sea bridges and submarine tunnels, the engineering environment is complicated and the construction difficulty is relatively high. These projects have put forward more and higher requirements for engineering ships such as crane ships, semi-submersibles and sea tugs. Meanwhile, the scope of tenders of the current urban rail transit, highways and other projects is larger, and most of them include tunnels in the scope of tenders, thus putting forward more requirements on large-scale shields, digging rigs and other engineering machinery and equipment.

With the rapid increase in the number of projects undertaken by the Company, the scale of the projects has been significantly expanded. With a high gearing ratio, the Company has an urgent need for equity financing to procure various kinds of necessary engineering ships and engineering machinery and equipment to provide strong technical and equipment protection for efficient implementation of all engineering projects.

(II) Feasibility of Project Implementation

1. The Company has a wealth of industry experience and leading competitive advantage

The Company is a gigantic China and world-leading state-owned listed companies with multi-disciplines and transnational operation focusing on the construction and design of infrastructure. It accumulates more than 60 years of operating experiences, professional knowledge and skills. It is the largest port design and construction enterprise in China, leading highway, bridge design and construction enterprise in China, largest international engineering contractor in China and largest dredging enterprise in the world. The rich industry experiences and leading competitive edges of the Company in the field of infrastructure construction provide an effective guarantee for the smooth implementation of various types of engineering projects.

2. The Company has abundant reserves of personnel, technology and market

(1) Personnel reserves

As at 31 December 2016, the Company had a total of 118,765 employees which comprised 44,258 management personnel, 50,694 specialists and 13,142 technicians. More than 55% of the employees hold bachelor degrees and above, reflecting a high average quality of personnel. At the same time, under the principle of serving the deepening of reform and building the Company as "experts in five areas", the education and training of the Company closely followed the new situation, new mission and new requirements for the reform development of the Company by using working approaches including coordination arrangement, model demonstration and classified implementation and continued to promote the five major talent cultivation projects, namely the key talent cultivation project, innovative talent cultivation project, international talent cultivation project, urgently-needed talent cultivation project and versatile Party-mass work talent cultivation project, which facilitates the improvement in the capability and quality of all employees and provided strong support and guarantee in terms of personnel and intelligence for the reform and business development of the Company.

(2) Technology reserve

The Company places great emphasis on scientific research and development which would improve the Company's competency in operation. Following the direction of "making innovations and leapfrog advances in key areas supporting development and thus creating a better future" and leveraging the tertiary interaction between the management level, execution level and application level, the Company established and perfected a three-level system in technological innovation which has a sound structure and high operation efficiency. As of the end of 2016, the Company has 12 national level science and research centers, 31 provincial level science and research centers, 1 national key laboratory, 9 provincial and ministerial level key laboratories, 8 key laboratories of the Group, and 15 scientific research institutes specializing in technological research and development. At the same time, the Company retains the members of the Chinese Academy of Engineering, National Reconnaissance Masters and other national experts and senior engineers. The Group also holds nine Post-Doctoral research centers. The Company possesses the capability to win and perform contracts for challenging large-scale complex projects.

(3) Market reserve

The Company is planning for the global market layout by focusing on quality and efficiency enhancement and by highlighting the supply-side structural reform. In 2016 and the first half of 2017, the value of new contracts entered into by the Company amounted to RMB730,802 million and RMB431,240 million. As at the end of June 2017, the backlog of the Company was RMB1,329,864 million, showing abundant reserve of projects in the market. With the significant growth in the overall project reserve, the Company attaches great importance to the development of the overseas markets. In 2016 and the first half of 2017, the value of new contracts from overseas markets amounted to RMB223,770 million and RMB132,803 million, representing 30.62% and 30.80% respectively of the Company's new contract value. With its business network covering over 140 countries and regions, the Company has vast potential for future market development. Various types of engineering ships and engineering mechanical equipment purchased by the Company, will be widely used in various types of projects, and provide a strong technical and equipment protection for the implementation of various projects.

III. THE PARTICULARS OF THE USE OF PROCEEDS TOWARDS THE INVESTMENT PROJECTS

(I) Infrastructure Investment Projects

1. Guigang-Long'an Highway Project in Guangxi

(1) General Information of the Project

The route of Guigang-Long'an Highway Project in Guangxi begins from the proximity of Shipai village in Guigang City and ends at the proximity of Natong Town in Longan County with a total length of approximately 228 km for its main road. The whole line will be constructed with dual 4 lane expressway standards. The project will improve the integrated transport channel and highway network structure of Xijiang in Guangxi Zhuang Autonomous Region, thereby promoting the development of the Pearl River-Xijiang Economic Zone, improving the transportation conditions and investment environment along the line, and facilitating the economic and social development along the area.

(2) Project Investment

The total investment of the project is RMB19,750 million. The amount of proceeds intended to be used amounts to RMB5,366.86 million by means of capital increase or entrusted loan.

(3) Project Implementation

The project is managed under BOT mode. The project owner is the Transportation Department of Guangxi Zhuang Autonomous Region. The actual execution of the project is conducted by Guangxi Zhongjiao Guilong Expressway Development Co., Ltd., a wholly-owned subsidiary of the Company, which in turn is entitled to 100% equity interest of the project. The project construction period is 4 years and the operation period is 30 years.

(4) Government Approval

The project has obtained:

Issuing authority	**Name of document**	**File no.**
Development and Reform Commission of Guangxi Zhuang Autonomous Region	Reply from Development and Reform Commission of Guangxi Zhuang Autonomous Region on the Approval of the Guigang-Long'an Highway Project in Guangxi (《廣西壯族自治區發展和改革委員會關於廣西貴港至隆安公路項目核准的批覆》)	Gui Fa Gai Jiao Tong [2015] No. 1446
Environmental Protection Department of Guangxi Zhuang Autonomous Region	Reply from Environmental Protection Department of Guangxi Zhuang Autonomous Region on the Environmental Impact Report of the Guigang-Long'an Highway Project in Guangxi (《廣西壯族自治區環境保護廳關於廣西貴港至隆安公路環境影響報告書的批覆》)	Gui Huan Shen [2015] No. 107

Issuing authority	Name of document	File no.
Department of Land and Resources of Guangxi Zhuang Autonomous Region	Reply from Department of Land and Resources of Guangxi Zhuang Autonomous Region on the Pre-approved Comment on the Construction land of the Guigang-Long'an Highway Project in Guangxi (《廣西壯族自治區國土資源廳關於貴港至隆安高速公路工程項目建設用地預審的批覆》)	Gui Guo Tu Zi Yu Shen [2015] No. 84

(5) Estimation of Economic Benefits

The financial internal rate of return of the project is estimated to be 8.05%, enjoying good economic benefits.

2. G575 Barköl-Hami Highway Construction Project in Xinjiang

(1) General Information of the Project

The route of G575 Barköl-Hami Highway Construction Project in Xinjiang begins from the both sides of Yiwu army horse ranch and ends at the intersection of S235 line and G312 line at the north of Hami City, with a total length of 76.495 km for its main road. The line will be constructed with dual 4 lane first class expressway standards. The project is an important section in the G575 national highway under the National Highway Network Planning, as well as an important component of "Six East-West and Six North-South" highway network trunk under the "Thirteenth Five-Year Plan" of Xinjiang Uygur Autonomous Region, which forms the main trunk of the highway network of Xinjiang and an expressway artery that link between the economies of the southern and northern side of Tianshan, Xinjiang.

(2) Project Investment

The total investment of the project is RMB6,016.73 million. The amount of proceeds intended to be used amounts to RMB2,771.56 million by means of capital increase or entrusted loan.

(3) Project Implementation

The project is managed under BOT mode. The project owner is the Traffic Construction Administration Bureau of Xinjiang Uygur Autonomous Region. The actual execution of the project is conducted by Hami Transportation Construction Co., Ltd. of CCCC, a subsidiary of the Company, which in turn is entitled to 100% equity interest of the project. The project construction period is 4 years and the operation period is 30 years.

(4) Government Approval

The project has obtained:

Issuing authority	Name of document	File no.
Development and Reform Commission of Xinjiang Uygur Autonomous Region	Reply from Development and Reform Commission Xinjiang Uygur Autonomous Region on the Approval of the Feasibility Report of G575 Barköl-Hami Highway Construction Project in Xinjiang (《自治區發展改革委關於G575線巴里坤至哈密公路建設項目工程可行性研究報告的批覆》)	Xin Fa Gai Jiao Tong [2015] No. 1391
Environmental Protection Department of Xinjiang Uygur Autonomous Region	Reply from Environmental Protection Department of Xinjiang Uygur Autonomous Region on the Environmental Impact Report of G575 Barköl-Hami Highway Construction Project in Xinjiang (《新疆維吾爾自治區環境保護廳關於G575線巴里坤至哈密公路建設項目環境影響報告書的批覆》)	Xin Huan Han [2016] No. 82
Department of Land and Resources of Xinjiang Uygur Autonomous Region	Reply from Department of Land and Resources of Xinjiang Uygur Autonomous Region on the Pre-approved Comment on Construction land of G575 Barköl-Hami Highway Construction Project in Xinjiang (《新疆維吾爾自治區國土資源廳關於國道575線巴里坤至哈密公路項目建設用地的預審意見》)	Xin Guo Tu Zi Yu Shen Zi [2015] No. 92

(5) Estimation of Economic Benefits

The financial internal rate of return of the project is estimated to be 10.64%, enjoying good economic benefits.

3. *Wuhan-Shenzhen Expressway Jiayu North section construction project*

(1) General Information of the Projects

The route of Wuhan-Shenzhen Expressway Jiayu North section construction project begins from Luosiqiao Village, Panjiawan Town, Jiayu County, which connects Wuhan National Expressway Wuhan section (under construction), via Pudu Town, and ends at the proximity of Shushan Village, Xinjie Town, which connects Wuhan National Expressway Jiayu-Tongcheng section, with a total length of approximately 21 km for the project. The whole line will be constructed with dual 6 lane expressway standards. The project will improve the national and Hubei highway network structure, thereby alleviating the traffic pressure faced by the national expressways in Beijing, Hong Kong and Macau and facilitating the economic integration of Wuhan urban circle and the harmonious economic and social development along the area.

(2) Project Investment

The total investment of the project is RMB3,816.06 million. The amount of proceeds intended to be used amounts to RMB2,727.85 million by means of capital increase or entrusted loan.

(3) Project Implementation

The project is managed under BOT mode. The project owner is the People's Government of Xianning. The actual execution of the project is conducted by Hubei CCCC Wushen Expressway Co., Ltd., a wholly-owned subsidiary of the Company, which in turn is entitled to 100% equity interest of the project. The project construction period is 3 years and the operation period is 30 years.

(4) Government Approval

The project has obtained:

Issuing authority	**Name of document**	**File no.**
Development and Reform Commission of Hubei Province	Reply from Development and Reform Commission of the Province on the Approval of the Wuhan-Shenzhen Expressway Jiayu North Section (《省發展改革委關於武漢至深圳高速公路嘉魚北段建設項目核准的批覆》)	E Fa Gai Shen Pi Fu Wu [2017] No. 83
Environmental Protection Department of Hubei Province	Reply from Environmental Protection Department of Hubei Province on the Environmental Impact Report of the Wuhan-Shenzhen Expressway Jiayu North Section (《湖北省環境保護廳關於武漢至深圳高速公路嘉魚北段環境影響報告書的批覆》)	E Huan Shen [2015] No. 210

Issuing authority	Name of document	File no.
Department of Land and Resources	Reply from Department of Land and Resources on the Pre-approved Comment on the Construction Land of the Wuhan-Shenzhen Expressway Jiayu North Section (《國土資源部關於武漢至深圳高速公路嘉魚北段建設用地預審意見的覆函》)	Guo Tu Zi Yu Shen [2015] No. 44

(5) Estimation of Economic Benefits

The financial internal rate of return of the project is estimated to be 8.24%, enjoying good economic benefits.

4. Wenzhou Road East Extension (Qianjiang Road-Wenqiang line) municipal road construction project

(1) General Information of the Projects

Wenzhou Road East Extension (Qianjiang Road-Wenqiang line) municipal road construction project is located in Zhuangyuan and Puzhou regions, Longwan District, Wenzhou with a total length of approximately 3,682.131 m. The line will be constructed with dual 6 lane standards. The project will accelerate the construction of the major road network in Longwan District, Wenzhou, improve the traffic congestion in Zhuangpu region, Longwan at present, shorten the travelling time for the residents and further link up the new towns, economic development zones and the central area of Longwan, which is in line with the overall city planning of Wenzhou.

(2) Project Investment

The total investment of the project is RMB564.05 million. The amount of proceeds intended to be used amounts to RMB506.57 million by means of capital increase or entrusted loan.

(3) Project Implementation

The project is managed under BOT mode. The project owner is Wenzhou Longwan City Center Development and Construction Management Committee, which in turn is entitled to 100% equity interest of the project. The project construction period is 3 years and the operation period is 5 years.

(4) Government Approval

The project has obtained:

Issuing authority	Name of document	File no.
Development and Reform Bureau of Longwan District, Wenzhou	Reply from Development and Reform Bureau of Longwan District, Wenzhou on the Proposal and Feasibility Study Report of the Wenzhou Road East Extension (Qianjiang Road-Wenqiang Line) Municipal Road Construction Project (《溫州市龍灣區發展和改革局關於溫州大道東延線(錢江路 – 溫強線)市政道路工程項目建議書和可行性研究報告的批覆》)	Long Fa Gai Li [2015] No. 156
Environmental Protection Bureau of Longwan District, Wenzhou	Letter from Environmental Protection Bureau of Longwan District, Wenzhou on the Approved Comment on the Environmental Impact Report of the Wenzhou Road East Extension (Qianjiang Road-Wenqiang Line) Municipal Road Construction Project" (《溫州市龍灣區環境保護局關於<溫州大道東延線(錢江路-溫強線)市政道路工程環境影響報告書>審查意見的函》)	Long Huan Jian Shen [2016] No. 78
Bureau of Land and Resources of Wenzhou	"Pre-approved Comment from Bureau of Land and Resources of Wenzhou, Zhejiang on the Construction Land of the Wenzhou Road East Extension (Qianjiang Road-Wenqiang Line) Municipal Road Construction Project" (《浙江省溫州市國土資源局關於溫州大道東延線(錢江路-溫強路)市政道路工程項目用地的預審意見》)	Zhe Yu Shen A [2015] No. 030300029

(5) Estimation of Economic Benefits

The financial internal rate of return of the project is estimated to be 7.96%, enjoying good economic benefits.

5. *Changle-Pingtan Expressway (Changle Guhuai-Songxia section) construction project*

(1) General Information of the Projects

The route of Changle-Pingtan Expressway (Changle Guhuai-Songxia section) construction project begins from Qiantang Village, Guhuai Town, Changle, which connects Qiantang hub of Fuzhou Loop Expressway southeast section and intends to end at the large road-rail bridge of Fuzhou-Pingtan Railway with a total length of 21.77 km for the project. The whole line will be constructed with dual 6 lane expressway standards. The project is an integral and preliminary part of Changle-Pingtan Expressway of Jingtai Expressway, which will achieve the quick access of Pingtan Island to the coastal highway network and mitigate the problem of inconvenient traffic which impose constraints on the development of Pingtan Comprehensive Experimental Area, thereby further expanding the scope of exchange and cooperation of Fujian and Taiwan and attracting the relocation of industries in Taiwan, which is significant to facilitating the development of tourism resources along the line and improving the capability of national defense transportation support and resistance to natural disasters in the southeast coastal regions.

(2) Project Investment

The total investment of the project is RMB3,261.18 million. The amount of proceeds intended to be used amounts to RMB285.22 million by means of capital increase or entrusted loan.

(3) Project Implementation

The project is managed under BT mode. The project owner is Fuzhou Changping Expressway Co., Ltd.. The actual execution of the project is conducted by Fuzhou CCCC Changping Expressway Investment and Development Co., Ltd., a wholly-owned subsidiary of the Company, which in turn is entitled to 100% equity interest of the project. The project construction period is 4 years and the repurchase period is 3 years.

(4) Government Approval

The project has obtained:

Issuing authority	Name of document	File no.
Development and Reform Commission of Fujian Province	Reply from Development and Reform Commission of Fujian Province on the Feasibility Study Report of the Changle-Pingtan Expressway (Changle Guhuai-Songxia Section) Construction Project (《福建省發展和改革委員會關於長樂至平潭高速公路(長樂古槐至松下段)工程可行性研究報告的批覆》)	Min Fa Gai Jiao Tong [2010] No. 1213
Development and Reform Commission of Fujian Province	Reply from Development and Reform Commission of Fujian Province on the Adjustment of Feasibility Study Report of the Changle-Pingtan Expressway (Changle Guhuai-Songxia Section) Construction Project (《福建省發展和改革委員會關於長樂至平潭高速公路(長樂古槐至松下段)工程可行性研究報告調整的批覆》)	Min Fa Gai Jiao Tong [2013] No. 555
Environmental Protection Department of Fujian Province	Letter from Environmental Protection Department of Fujian Province on the Reply on the Environmental Impact Report of the Changle-Pingtan Expressway (Guhuai-Songxia Section) Construction Project (《福建省環保廳關於批覆長樂至平潭高速公路古槐至松下段工程環境影響報告書的函》)	Min Huan Bao Jiang [2010] No. 139
Department of Land and Resources	Reply from Department of Land and Resources on the Construction Land of the Changle-Pingtan Expressway (Changle Guhuai-Songxia Section) Construction Project (《國土資源部關於長樂至平潭高速公路(長樂古槐至松下段)工程建設用地的批覆》)	Guo Tu Zi Han [2014] No. 270

Issuing authority	Name of document	File no.
People's Government of Fujian Province	Reply from People's Government of Fujian Province on the Construction Land of the Changle-Pingtan Expressway (Changle Guhuai-Songxia Section) Construction Project (《福建省人民政府關於長樂至平潭高速公路(長樂古槐至松下段)建設用地的批覆》)	Min Zheng Wen [2014] No. 228

(5) Estimation of Economic Benefits

The financial internal rate of return of the project is estimated to be 7.08%, enjoying good economic benefits.

6. Chongqing Jiulongpo-Yongchuan Expressway (Chengyu Expressway Expansion) project

(1) General Information of the Projects

Chongqing Jiulongpo-Yongchuan Expressway (Chengyu Expressway Expansion) project begins from Shiqiao Village, Zouma Town, Jiulongpo District and connects the west extension of Huayan Tunnel, the expressway heads west and passes through Shuangfu New District, crosses the Jinyun Mountain Tunnel to Laifeng Town in Bishan District, crosses Yunwu Mountain Tunnel to the rear of Guanyin Temple and is then splits into two paths, with one path heading north and ending at the first end of the project, Xiaokan Village, Da'an Street, to connect Chengyu Expressway, and another path heading south and ending at the second end of the project, Gaodongqiao Village, Shuangfeng Town via Chenshi, to connect Third Ring Expressway. With a total length of 49.17 km for the project, different technological standards are applied to sections, where in which the section from the beginning point to Yongchuan Guanyin Temple adopts dual 6-lane highway standards, and the sections connecting Guanyin Temple to Shuangfeng and Sanhuan Expressway, and Guanyin Temple to Da'an and Chengyu Expressway adopts dual 4-lane highway standards. The project will expand the scale of the road network, complete the regional road network structure, alleviate the traffic pressure of Chengyu Expressway and facilitate the rapid development of urban new towns.

(2) Project Investment

The total investment of the project is RMB5,352.54 million. The amount of proceeds intended to be used amounts to RMB507.46 million by means of capital increase or entrusted loan.

(3) Project Implementation

The project is managed under BOT mode. The project owner is Chongqing Traffic Committee. The actual execution of the project is conducted by Chongqing Jiuyong Expressway Construction Co., Ltd., a wholly-owned subsidiary of the Company, which in turn is entitled to 100% equity interest of the project. The project construction period is 2 years and the operation period is 30 years.

(4) Government Approval

The project has obtained:

Issuing authority	Name of document	File no.
Development and Reform Commission of Chongqing	Reply from Development and Reform Commission of Chongqing on the Approval of the Chongqing Jiulongpo-Yongchuan Expressway (Chengyu Expressway Expansion) Project (《重慶市發展和改革委員會關於重慶九龍坡至永川高速公路(成渝高速公路擴能)項目核准的批覆》)	Yu Fa Gai Jiao [2015] No. 508
Environmental Protection Bureau of Chongqing	Approval on the Environmental Impact Assessment of the Construction Project in Chongqing (《重慶市建設項目環境影響評價文件批准書》)	Yu (Shi) Huan Zhun [2015] No. 010
Administration of Land and Housing Bureau of Chongqing	Pre-approved Comment from Administration of Land and Housing Bureau of Chongqing on the Construction Land of the Chongqing Jiulongpo-Yongchuan Expressway Project (《重慶市國土房管局關於九龍坡至永川高速公路建設項目用地預審的意見》)	Yu Guo Tu Fang Guan Gui [2015] No. 12

(5) Estimation of Economic Benefits

The financial internal rate of return of the project is estimated to be 11.53%, enjoying good economic benefits.

(II) Purchase of Engineering Ships and Mechanical Equipment

1. Purchase of engineering ships

(1) Project Investment

With the rapid business growth of the Company, the highly difficult engineering fields, in particular, the cross-sea bridges and undersea tunnels in complicated construction environment with great difficulty in construction, become more demanding for the engineering ships and other equipment of the Company. Purchasing different kinds of engineering ships will greatly improve the construction and technical capacity of the Company in highly difficult engineering fields, which will in turn improve the core competitiveness of the Company.

The total investment of the project is RMB2,462 million. The amount of proceeds intended to be used amounts to RMB2,462 million. The breakdown of investment is as follows:

No.	**Item**	**Number of ships to be purchased**	**Total investment amount** *(RMB'0000)*	**Amount of proceeds intended to be used** *(RMB'0000)*
1	Self-propelled immersed tube transportation and installation integrated ship (自航式沉管運輸安裝一體船)	1	45,000	45,000
2	Leveling ship (整平船)	1	23,000	23,000
3	Feeder locking ship (供料鎖固船)	2	12,000	12,000
4	130m piling ship (130米打樁船)	1	20,000	20,000
5	Crane ship (起重船)	1	45,000	45,000
6	10000t semi-submersible barge (10000t半潛駁)	2	21,200	21,200
7	4000sp ocean tug (4000sp海洋拖輪)	2	8,000	8,000
8	120m large piling ship (120m大型打樁船)	1	15,000	15,000
9	Self-elevating wind turbine installation ship (自升式風電安裝船)	1	30,000	30,000
10	7000HP tug (7000HP拖輪)	1	7,000	7,000
11	Non-self-propelled semi-submersible barge (非自航式半潛駁)	1	20,000	20,000
Total		–	246,200	246,200

(2) Project Investment Plan and Implementation

Unit: RMB'0000

No.	Item	Total investment amount	2017	2018	2019
1	Self-propelled immersed tube transportation and installation integrated ship (自航式沉管運輸安裝一體船)	45,000	11,950	19,450	13,600
2	Leveling ship (整平船)	23,000	3,450	9,200	10,350
3	Feeder locking ship (供料鎖固船)	12,000	1,800	6,600	3,600
4	130m piling ship (130米打樁船)	20,000	7,000	4,000	9,000
5	Crane ship (起重船)	45,000	1,950	32,000	11,050
6	10000t semi-submersible barge (10000t半潛駁)	21,200	4,000	12,700	4,500
7	4000sp ocean tug (4000sp海洋拖輪)	8,000	–	6,000	2,000
8	120m large piling ship (120m大型打樁船)	15,000	4,500	9,000	1,500
9	Self-elevating wind turbine installation ship (自升式風電安裝船)	30,000	–	21,000	9,000
10	7000HP tug (7000HP拖輪)	7,000	–	4,900	2,100
11	Non-self-propelled semi-submersible barge (非自航式半潛駁)	20,000	3,000	17,000	–
Total		246,200	37,650	141,850	66,700

The engineering ships intended to be purchased will be purchased by the wholly-owned subsidiaries of the Company. The proceeds will be invested in the wholly-owned subsidiaries by means of capital increase or entrusted loan for them to purchase engineering ships.

(3) Government Approval

The project is not subject to the use of land. The formalities for the project are currently in process.

(4) Analysis on Project Benefits

The project does not generate income directly. The engineering ships to be purchased will effectively alleviate the demand for ships and equipment of the Company for its infrastructure construction projects and improve the equipment and operation capacity of the Company in construction projects, which will in turn improve the core competitiveness and profitability of the Company.

2. Purchase of Engineering Mechanical Equipment

(1) Project Investment

Pursuant to the "Thirteenth Five-Year Plan", the fixed assets and infrastructure in rail transit, municipal, comprehensive pipe gallery, bridge and other sectors will continue to maintain rapid growth in the next few years. With leading engineering capacity in rail transit, municipal and other sectors in China, the Company will undertake more projects and the projects size will expand significantly. However, as compared with the fast-growing market demand, the investment in a variety of engineering mechanical equipment remains insufficient to meet the demand of construction projects. Purchasing different kinds of engineering mechanical equipment will further improve the Company's capacity in undertaking large rail transit and municipal projects, which will in turn improve the core competitiveness of the Company.

The total investment of the project is RMB5,372.48 million. The amount of proceeds intended to be used amounts to RMB5,372.48 million. The breakdown of investment is as follows:

No.	Item	Number of equipment to be purchased	Total investment amount *(RMB'0000)*	Amount of proceeds intended to be used *(RMB'0000)*
1	Railway open-type TBM equipment (鐵路敞開式TBM設備)	2	26,400	26,400
2	Highway open-type TBM equipment (公路敞開式TBM設備)	2	9,600	9,600
3	Three-arm drilling jumbo (三臂鑿岩台車)	8	9,300	9,300
4	High torque rotary drilling rig (大扭矩旋挖鑽機)	4	5,170	5,170
5	Composite earth pressure balance shield machine (複合式土壓平衡盾構機)	50	248,000	248,000

No.	Item	Number of equipment to be purchased	Total investment amount (RMB'0000)	Amount of proceeds intended to be used (RMB'0000)
6	Soft ground earth pressure balance shield machine (軟土土壓平衡盾構機)	2	6,000	6,000
7	Earth pressure balance shield machine (土壓平衡盾構機)	2	7,778	7,778
8	Large-diameter composite earth pressure balance shield machine (大直徑複合式土壓平衡盾構機)	28	210,000	210,000
9	Large-diameter composite slurry balance shield machine (大直徑複合式泥水平衡盾構機)	1	15,000	15,000
Total		–	537,248	537,248

(2) *Project Investment Plan and Implementation*

Unit: RMB'0000

No.	Item	Total investment amount	2017	2018	2019
1	Railway open-type TBM equipment (鐵路敞開式TBM設備)	26,400	7,920	17,160	1,320
2	Highway open-type TBM equipment (公路敞開式TBM設備)	9,600	2,880	6,240	480
3	Three-arm drilling jumbo (三臂鑿岩台車)	9,300	5,700	3,600	–
4	High torque rotary drilling rig (大扭矩旋挖鑽機)	5,170	5,170	–	–
5	Composite earth pressure balance shield machine (複合式土壓平衡盾構機)	248,000	3,000	77,900	167,100
6	Soft ground earth pressure balance shield machine (軟土土壓平衡盾構機)	6,000	3,600	2,400	–
7	Earth pressure balance shield machine (土壓平衡盾構機)	7,778	2,333	5,056	389

No.	Item	Total investment amount	2017	2018	2019
8	Large-diameter composite earth pressure balance shield machine (大直徑複合式土壓平衡盾構機)	210,000	21,900	88,550	99,550
9	Large-diameter composite slurry balance shield machine (大直徑複合式泥水平衡盾構機)	15,000	4,500	9,750	750
Total		537,248	57,003	210,656	269,589

The engineering mechanical equipment intended to be purchased will be purchased by the wholly-owned subsidiaries of the Company. The proceeds will be invested in the wholly-owned subsidiaries by means of capital increase or entrusted loan for them to purchase engineering mechanical equipment.

3. Government Approval

The project is not subject to the use of land. The formalities for the project are currently in process.

4. Analysis on Project Benefits

The project does not generate income directly. The engineering mechanical equipment to be purchased will effectively alleviate the demand for mechanical equipment of the Company for its infrastructure construction projects, improve the Company's capacity in the implementation of various large construction projects and improve the operational efficiency in construction projects, which will in turn improve the core competitiveness and profitability of the Company.

IV. THE IMPACTS OF THE ISSUANCE ON THE OPERATION, MANAGEMENT AND FINANCIAL POSITION OF THE COMPANY

The proposed use of proceeds sticks to the principal business of the Company, complies with the relevant industry policies in China and is beneficial to the business expansion of the Company in the infrastructure construction sector, enhancement in industry influence and core competitiveness, consolidation of market position and improvement in business performance, which will lay a solid foundation for sustainable development. Upon the completion of the Proposed Issuance of A Share Convertible Bonds, the scope of principal business of the Company will remain unchanged, which will not lead to consolidation of business and assets. The capacity of undertaking projects and providing full lifecycle services will be improved.

The proposed use of proceeds is in line with the relevant industry policies in China and the overall development strategy of the Company with certain economic and social benefits, which has profound significance to the business development of the Company. Upon the successful implementation of the projects, the capital requirements of the Company will be met to a certain extent such that the capital structure of the Company will be further optimized and the core competitiveness of the Company will be enhanced, which will meet the interests of all shareholders.

In accordance with the Several Opinions of the State Council on Further Promoting the Healthy Development of the Capital Market (《國務院關於進一步促進資本市場健康發展的若干意見》) (Guo Fa [2014] No. 17), the Opinions of the General Office of the State Council on Further Strengthening the Protection of Small and Medium Investors' Legitimate Interests in the Capital Market (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》) (Guo Ban Fa [2013] No. 110) and the Guiding Opinions on Matters relating to the Dilution of Immediate Returns in Initial Public Offering, Refinancing and Major Assets Restructuring (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) (CSRC Announcement [2015] No. 31), the Company has analyzed the potential impacts of the public issuance of A Share Convertible Bonds on the ordinary Shareholder's interests and the immediate returns with reference to the actual conditions of the Company and will adopt the relevant remedial measures as set out below:

I. ANALYSIS OF IMPACT OF DILUTED IMMEDIATE RETURNS ARISING FROM THE ISSUANCE OF A SHARE CONVERTIBLE BONDS

(I) Assumptions

The impacts of the issuance of A Share Convertible Bonds on the Company's key financial data and indicators are estimated mainly based on the following assumptions:

1. Assume that no significant adverse changes occur in the macro-economic environment, the development trend of the industry and the operating environment of the Company in 2018.

2. Assume that the Company could complete the issuance of the A Share Convertible Bonds by the end of 2017, and the funds raised from the financing would be in place. The time is only used to calculate the impacts of diluted immediate returns arising from the issuance of A Share Convertible Bonds on the Company's key financial data and indicators. The final completion time is subject to the approval of CSRC and the actual completion time of the issuance of A Share Convertible Bonds by the Company.

3. Assume that the Company could raise total proceeds of not more than RMB20 billion (inclusive) from the issuance of the A Share Convertible Bonds (without considering the impact of issuance costs). The actual amount of proceeds raised from the issuance of A Share Convertible Bonds will be finally determined pursuant to the factors including approval of authorities, subscription for the A Share Convertible Bonds to be issued and issuance cost.

4. Assume that the conversion price of the A Share Convertible Bonds is RMB15.87 per Share, which is no less than the average trading price of A Shares in the 20 trading days or in the trading day preceding the announcement date of the resolutions of the thirty-eighth meeting of the third session of the Board, or the latest audited net assets value per Share. The conversion price is only used to calculate the impact of diluted immediate returns arising from the issuance of the A Share Convertible Bonds on the Company's key financial data and indicators. The initial conversion price will be determined finally by the Board according to market conditions before the issuance as authorized by the EGM, and ex-rights, ex-dividend adjustment or downward adjustment might be conducted.

5. Assume that the nominal interest rate of A Share Convertible Bonds is 0.2%, and it is only a simulated or estimated rate, which does not constitute the forecast on actual nominal interest rate.

6. Not consider the impacts of the proceeds raised from the issuance on the Company's production, operation and financial conditions (e.g. financial expenses, efficiency in the use of proceeds) at the moment.

7. Assume that no significant changes in the macro-economic environment, the development of the industry and the Company's business environment. Based on the principle of prudence, assume that the net profit attributable to the shareholders of the parent and the net profit attributable to the shareholders of the parent after deduction of non-recurring gains and losses in 2017 will remain unchanged as compared to 2016, the growth in the net profit attributable to the shareholders of the parent and the net profit attributable to the shareholders of the parent after deduction of non-recurring gains and losses in 2018 will be 0%, 10% and 15% as compared to 2016. The above-mentioned profit value does not represent the Company's forecast on future profit, which is only used to calculate the impact of diluted immediate returns arising from the issuance of A Share Convertible Bonds on the Company's key financial data and indicators; and investors should not make any investment decision based on that value.

8. Assume that no factors (including profit distribution and preferred shares mandatory conversion into ordinary shares etc.), apart from the conversion of A Share Convertible Bonds into ordinary shares, will cause the changes in the ordinary share capital of the Company.

9. Earnings per Share (EPS) is calculated pursuant to relevant provisions in the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of ROE and EPS.

(II) Impact on the Company's key financial indicators

Based on the above assumptions, the impacts of the issuance of A Share Convertible Bonds on the key financial data and indicators of the Company are shown as follows:

1. Scenario 1: based on the principle of prudence, assume that the net profit attributable to the shareholders of the parent and the net profit attributable to the shareholders of the parent after deduction of non-recurring gains and losses in 2017 will remain unchanged as compared to 2016; and the net profit attributable to the shareholders of the parent and the net profit attributable to the shareholders of the parent after deduction of non-recurring gains and losses in 2018 will remain unchanged as compared to 2017.

Unit: RMB100 million, unless otherwise specified

	2017	**2018**	
Item	**Prior to the issuance**	**Issuance of A Share Convertible Bonds without any conversion**	**Issuance of A Share Convertible Bonds with full conversion on 1 July 2018**
Total ordinary shares (100 million Shares)	161.75	161.75	174.35
Net profit attributable to shareholders of the parent	167.43	167.13	167.28
Net profit attributable to shareholders of the parent after deduction of non-recurring gains and losses	151.30	151.00	151.15
Net profit attributable to ordinary shareholders of the Company	157.26	156.96	157.11
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring gains and losses	141.12	140.82	140.97
Basic earnings per share (RMB)	0.97	0.97	0.93
Diluted earnings per share (RMB)	0.97	0.90	0.90
Basic earnings per share after deduction of non-recurring gains and losses (RMB)	0.87	0.87	0.84
Diluted earnings per share after deduction of non-recurring gains and losses (RMB)	0.87	0.81	0.81

2. Scenario 2: based on the principle of prudence, assume that the net profit attributable to the shareholders of the parent and the net profit attributable to the shareholders of the parent after deduction of non-recurring gains and losses in 2017 will remain unchanged as compared to 2016; and the net profit attributable to the shareholders of the parent and the net profit attributable to the shareholders of the parent after deduction of non-recurring gains and losses in 2018 will increase by 10% year on year.

Unit: RMB100 million, unless otherwise specified

	2017	**2018**	
Item	**Prior to the issuance**	**Issuance of A Share Convertible Bonds without any conversion**	**Issuance of A Share Convertible Bonds with full conversion on 1 July 2018**
Total ordinary shares (100 million Shares)	161.75	161.75	174.35
Net profit attributable to shareholders of the parent	167.43	183.87	184.02
Net profit attributable to shareholders of the parent after deduction of non-recurring gains and losses	151.30	166.12	166.27
Net profit attributable to ordinary shareholders of the Company	157.26	173.70	173.85
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring gains and losses	141.12	155.95	156.10
Basic earnings per share (RMB)	0.97	1.07	1.03
Diluted earnings per share (RMB)	0.97	1.00	1.00
Basic earnings per share after deduction of non-recurring gains and losses (RMB)	0.87	0.96	0.93
Diluted earnings per share after deduction of non-recurring gains and losses (RMB)	0.87	0.89	0.90

3. Scenario 3: based on the principle of prudence, assume that the net profit attributable to the shareholders of the parent and the net profit attributable to the shareholders of the parent after deduction of non-recurring gains and losses in 2017 will remain unchanged as compared to 2016; and the net profit attributable to the shareholders of the parent and the net profit attributable to the shareholders of the parent after deduction of non-recurring gains and losses in 2018 will increase by 15% year on year.

Unit: RMB100 million, unless otherwise specified

	2017	**2018**	
Item	**Prior to the issuance**	**Issuance of A Share Convertible Bonds without any conversion**	**Issuance o f A Share Convertible Bonds with full conversion on 1 July 2018**
Total ordinary shares (100 million Shares)	161.75	161.75	174.35
Net profit attributable to shareholders of the parent	167.43	192.25	192.40
Net profit attributable to shareholders of the Company after deduction of non-recurring gains and losses	151.30	173.69	173.84
Net profit attributable to ordinary shareholders of the Company	157.26	182.07	182.22
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring gains and losses	141.12	163.51	163.66
Basic earnings per share (RMB)	0.97	1.13	1.08
Diluted earnings per share (RMB)	0.97	1.04	1.05
Basic earnings per share after deduction of non-recurring gains and losses (RMB)	0.87	1.01	0.97
Diluted earnings per share after deduction of non-recurring gains and losses (RMB)	0.87	0.94	0.94

(III) Notes on the estimate

The above assumptions in relation to the impacts of the issuance of A Share Convertible Bonds on the Company's key financial data and indicators do not represent the Company's judgment of the operation and development trend in 2018, and do not constitute the Company's profit forecasts. Investors shall not make investment decisions on these grounds. The Company assumes no liability for any loss of investors thus incurred.

II. RISK WARNING FOR DILUTION OF IMMEDIATE RETURNS ARISING FROM THE ISSUANCE OF A SHARE CONVERTIBLE BONDS

After the issuance of A Share Convertible Bonds and before the conversion of all bonds, the number of the Company's outstanding dilutive potential ordinary shares will increase correspondingly; if the financial returns on raised proceeds are not taken into consideration, the diluted earnings per share for the year when the Company completes the issuance of A Share Convertible Bonds and that after deduction of non-recurring gains and losses are likely to decline.

After the issuance of the A Share Convertible Bonds and before the conversion, the Company is required to pay interest to the investors whose A Share Convertible Bonds have not been converted as per the agreed nominal interest rate; as the nominal interest rate of the A Share Convertible Bonds is generally low, the profit growth due to the Company's use of proceeds raised from issuance of A Share Convertible Bonds will exceed the bond interest paid to investors of A Share Convertible Bonds under the normal circumstances, which will not cause any reduction in the Company's overall revenue; in extreme cases, if such profit growth cannot cover the bond interest paid to investors, the after-tax profit of the Company will face the risk of falling, hence diluting immediate returns of the Company's ordinary shareholders.

After the conversion of all or part of A Share Convertible Bonds held by investors, total shares of the Company will increase accordingly, thus generating certain dilutive effect on the ROE and EPS of the Company.

In addition, the terms on downward adjustment of conversion price have been set forth for A Share Convertible Bonds. When the terms are triggered, the Company may apply for downward adjustment of the conversion price, resulting in the increase of total shares due to the conversion of A Share Convertible Bonds and the amplification of potential dilutive effect of the conversion on existing shareholders of the Company.

III. NECESSITY AND RATIONALITY OF THE ISSUANCE OF A SHARE CONVERTIBLE BONDS

Upon conversion, the public issuance of A Share Convertible Bonds will further expand the net assets of the Company, further strengthen the Company's capability to resist risks, consolidate the capital foundation for the sustainable business development of the Company, and contribute to enhancing the core competitiveness of the Company and achieving its strategic goals.

(I) Optimize capital structure

In recent years, CCCC maintained the good momentum of business development with sound growth in new projects and abundant business reserves. In the light of the stable business development and the strategic transformation of the Company, the capital needs of the Company rose significantly, and the gearing ratio also gradually increased. As at 30 June 2017, the gearing ratio of the Company reached 77.26%. The prolonged high gearing ratio not only increased the recent debt financing cost of the Company, but also harmed the long-term healthy business development of the Company. Therefore, the Company needs to improve its capital structure by equity financing, which is crucial to the stable development and successful transformation of the Company.

Upon the completion of the issuance of A Share Convertible Bonds, although the Company will still have to pay for the nominal interest in the short term, the increment of finance costs will be limited due to the low interest rate of A Share Convertible Bonds. Upon the full conversion of A Share Convertible Bonds in the future, the Company will further reduce its gearing ratio as compared with that prior to the issuance of A Share Convertible Bonds, which will then in turn optimize the capital structure, enhance capital operation efficiency, mitigate the pressure on finance cost and further release the development potential of the Company.

(II) Significant increase in capital needs of the Company

In the recent business environment, the civil engineering construction industry is exposed to a variety of risks including intense competition and increasing labor costs. The Company needs to expand its capital size for accelerating business layout and structural transformation in order to capture the market opportunities arising from the rapid development of the infrastructure construction sector in China and further enhance the business scale and profitability of the Company.

In recent years, the value of new contracts of the Company sustained stable growth. With the opportunities arising from the "One Belt One Road" policy and the strength of the Company, it is possible for the Company to further expand its business scale accompanied by the corresponding increase in capital needs. The financing through the issuance of A Share Convertible Bonds will provide strong financial support for the Company to further expand its business scale and lay a solid foundation for the business expansion of the Company.

IV. RELATIONS OF THE PROCEED-RAISING PROJECT WITH THE COMPANY'S EXISTING BUSINESSES, AND THE COMPANY'S RESERVES IN TERMS OF PERSONNEL, TECHNOLOGY AND MARKET FOR THE PROJECT

(I) Relations of the proceed-raising project with the Company's existing businesses

The proceeds to be raised from the issuance of A Share Convertible Bonds by the Company will finance the large construction projects such as infrastructure projects and construction projects of expressways which are closely linked to the principal business of the Company. By virtue of the issuance of A Share Convertible Bonds, the Company will further strengthen its capability in infrastructure construction, consolidate its market position, further increase the market shares of its infrastructure construction business and facilitate the continuous stable development of the Company and the industry.

(II) The Company's reserves in terms of personnel, technology and market for the project

1. Personnel reserve

As at 31 December 2016, the Company had a total of 118,765 employees which comprised 44,258 management personnel, 50,694 specialists and 13,142 technicians. More than 55% of the employees hold bachelor degrees and above, reflecting a high quality of personnel.

At the same time, under the principle of serving the deepening of reform and building the Company as "experts in five areas", with thorough implementation of the spirits of the second Party congress and the first personnel working meeting of the Company, the education and training of the Company closely followed the new situation, new mission and new requirements for the reform development of the Company by using working approaches including coordination arrangement, model demonstration and classified implementation and continued to promote the five major talent cultivation projects, namely the "11711" key talent cultivation project, innovative talent cultivation project, international talent cultivation project, urgently-needed talent cultivation project and versatile Party-mass work talent cultivation project, which facilitates the improvement in the capability and quality of all employees and provided strong support and guarantee in terms of personnel and intelligence for the reform development of the Company.

2. *Technology reserve*

The Company places great emphasis on scientific research and development which would improve the Company's competency in operation. Following the direction of "making innovations and leapfrog advances in key areas supporting development and thus creating a better future" and leveraging the tertiary interaction between the management level, execution level and application level, the Company established and perfected a three-level system in technological innovation which has a sound structure and high operation efficiency. The Company recently has 12 national level science and research centers, 31 provincial level science and research centers, 1 national key laboratory, 9 provincial and ministerial level key laboratories, 8 key laboratories of the Group, and 15 scientific research institutes specializing in technological research and development. At the same time, the Company retains the members of the Chinese Academy of Engineering, National Reconnaissance Masters and other national experts and senior engineers. The Group also holds 9 Post-Doctoral research centers.

With respect to the reserve of high-technology equipment, the Company owns a diverse range of specialized equipment, including modern dredging vessels, dedicated transportation fleet for port machinery, various equipment for marine and onshore engineering, as well as various state-of-the-art machinery and equipment for investigation, design and research, which gives the Company competitive advantages to win and perform contracts for challenging large-scale complex projects.

3. *Market reserve*

Recently, as guided by the strategy of "experts in five areas", the Company is planning for the global market layout by focusing on quality and efficiency enhancement and by highlighting the supply-side structural reform. In 2016, the value of new contracts entered into by the Company amounted to RMB730,802 million. As at 31 December 2016, the backlog of the Company was RMB1,099,752 million, showing abundant reserve of projects in the market. With the significant growth in the overall project reserve, the Company attaches great importance to development of the overseas markets. In 2016, the value of new contracts from overseas markets amounted to RMB223,770 million, representing approximately 30.62% of the Company's new contract value. With its business network covering over 140 countries and regions, the Company has vast potential for future market development.

V. REMEDIAL MEASURES FOR RETURNS OF THE COMPANY

(I) The Company's operations, development trend, major risks and improvement measures of existing business sectors

In 2013, the Company clearly proposed the strategic positioning and target of "experts in five areas". All these sectors are the core advantaged business segments of the Company after years of development, practice and exploration. By integrating and upgrading the existing business sectors as well as reconstructing and revamping the existing value chain, the Company will strengthen its risk resistance, long-term development capability and comprehensive strength and fully utilize the potential in profitability of its core business. The Company has extensive room for development.

1. The Company's operations and development trend of existing business sectors

As one of the Fortune Global 500 with leading comprehensive strength, the Company is principally engaged in four sectors, namely infrastructure construction, infrastructure design, dredging business and heavy machinery manufacturing. The Company enjoys a leading industry position in each of those business sectors.

In the infrastructure construction sector, the Company is the largest port design and construction enterprise in China, a world-leading road and bridge design and construction enterprise, a leading railway construction enterprise in China and the largest international engineering contractor in China. The Company directed the design and construction of a majority of the transportation infrastructure projects including coastal and inland water medium and large-scale ports and waterways, high-level main highways and large and ultra-large bridges and tunnels in China.

In the infrastructure design sector, the Company is the largest port design service provider in China and participated in the design of most of the major coastal ports in China. The Company is also a major road and bridge design service provider in China and is adept at designing expressways, first-class roads and large bridges. The Company has become the largest international design company in China. Besides, the Company has also become one of the major enterprises in the railway infrastructure design industry in China with industry leading level.

In the dredging business sector, the scope of dredging business of the Company covers a variety of business including capital dredging, maintenance dredging, environmental dredging, and reclamation. As the largest dredging enterprise in China and in the world, the Company has 8 out of 9 total grade qualifications in general contracting of port and waterway construction projects, and thus enjoys an obvious competitive advantage.

2. *Major risks and improvement measures*

(1) Risk of periodic fluctuations of the macro-economy

The Company's businesses are closely related to the development of macro-economy, especially for infrastructure design, infrastructure construction and heavy machinery manufacturing business, of which the industry development is subject to the effects of macro-economic factors including investment scale of social fixed assets and the process of urbanization. In recent years, the national economy has kept a rapid growth and the global economy has gradually come out of the shadow of financial crisis and is in the process of recovering. However, the possibility of periodic fluctuations of macro-economy cannot be eliminated in the future. If the global macro-economy is in the down cycle or the national economic growth rate significantly slows down, and the Company does not reasonably expect it and make corresponding adjustment to its operation strategy, there will be a gliding risk in the operation performance of the Group.

The Company will adhere to China's "13th Five-Year Plan" as a whole, take the "experts in five areas" as the core strategy to grasp China's macroeconomic trends, continue to explore the principal business of the Company. Leveraging on the rapid development of PPP model of infrastructure projects, the Company will speed up the strategic transformation and business development in the context of urbanization in China, while constantly improving the risk management system, so as to strive to minimize the impact of macroeconomic fluctuations on the Company.

(2) Risk of price fluctuations of raw materials

The Company depends on the timely procurement of sufficient raw materials such as steel, cement, fuel, sand stone and asphalt which meet the quality requirement of the Company at a reasonable price for conducting business. The market prices of such raw materials may present a certain extent of fluctuations. Appropriate arrangements on the procurement plan may be made to ensure the normal business operation. In view of the nature of the businesses being engaged by the Company, the Company usually does not enter into long-term supply contracts or guarantees with the relevant suppliers. Instead, the Company enters into procurement contracts with suppliers for specific projects with a term ranging from one to five years. On the other hand, most of the construction contracts entered into between the Company and the customers are fixed price contracts. Although some contracts have provided that the customers have to compensate to the Company for the additional costs arising from the unexpected increase in raw material price, the Company may be still exposed to the risk of profit decline or even loss for a single project in the event that the compensation from the customers cannot fully cover the increase in costs arising from shortage of supply or substantial increase in price of raw materials.

The Company will pay close attention to market changes, obtain comprehensive understanding of market information, implement response measures from procurement, construction and other aspects, conduct extensive screening of raw material suppliers, accumulate excellent supplier resources. It will also reduce production costs through technological improvements, management improvement and other means, so as to minimize the impact of increasing prices of raw materials, energy on the operating costs of the Company.

(II) Detailed measures to enhance the Company's performance

1. Expedite the structural adjustment and upgrade of business and enhance the operation benefits steadily

The Company will base on its development strategy of "experts in five areas", optimize the industrial structure, improve the efficiency of capital operation and reduce operating costs. At the same time, the Company will enhance its risk resistance, long-term development capability and comprehensive strength through the integration and upgrading of existing infrastructure construction-related business segments and remodelling of value chain to fully utilise the profit potential of the core business, so as to effectively expand the business scale of the Company and continue to enhance its profitability.

2. Enhance the daily operation efficiency of the Company, and improve the staff incentive mechanism

In strict accordance with the requirements of the Company Law, the Securities Law and the Code of Corporate Governance for Listed Companies and other laws and regulations and normative documents, the Company continuously improved the corporate governance structure and ensured that the shareholders (especially small and medium shareholders), directors (especially independent Directors) and supervisors of the Company can fully exercise their respective rights, to provide system guarantee for the sustainable development of the company. At the same time, the Company will ramp up its efforts in the improvement of business processes, enhance the operation efficiency of the construction business, and improve asset operation capacity. The Company will advance the reform in salary distribution system, and profoundly implement classified assessment and differentiated distribution according to the principle of "salary increases when profitability rises, salary decreases when profitability drops"; actively explore the implementation schemes for employee stock ownership, stock option incentive and equity dividend.

3. Accelerate the investment progress of investment projects, to achieve the expected benefits of projects

The proceeds raised from the issuance by the Company are mainly used for the construction of infrastructures, purchase of engineering ships and mechanical equipment related to the principal business, which is in line with the national industrial policy and the development strategy of the Company and possesses bright market prospects and economic benefits. Before the proceeds raised from the issuance are in place, the Company will actively coordinate resources ahead of the implementation of investment projects; after the proceeds raised from the issuance are in place, the Company will accelerate the construction of investment projects. With the smooth implementation of the projects, the Company's profitability and operating results will improve, which helps to remedy the diluted impact of the issuance on the immediate return of the shareholders.

4. Continue to enhance profit distribution policy and optimize investor returns mechanism

Pursuant to the relevant requirements of the Notice on Relevant Matters Relating to Further Implementation of Distribution of Cash Dividends by Listed Companies, the Opinions of the CSRC on Further Promoting the IPO System Reform, the Regulatory Guidance for Listed Companies No. 3 – Distribution of Cash Dividends by Listed Companies and the Guidelines for the Articles of Association of Listed Companies issued by the CSRC, the Company will continue to enhance the profit distribution system and strengthen the investor returns mechanism to safeguard the interests of its shareholders, especially the minority shareholders. The Company highly values the reasonable returns to investors and will maintain the stability and continuity of the profit distribution policy.

5. Strengthen the management of proceeds raised to avoid risks in the use of proceeds

The Company has formulated the "A-shares Proceeds Management System" in accordance with the relevant provisions of the CSRC and the Shanghai Stock Exchange. The Company will deposit the proceeds raised from the issuance into the special account for the proceeds raised from the issuance as specified by the Board, and establish a third-party supervision system for proceeds raised, in which the proceeds raised will be jointly supervised by the sponsors, the commercial bank the proceeds is deposited at, and the Company for its intended use and amount used. After the proceeds raised from the issuance are in place, the Company will guarantee that the proceeds raised are used for the committed purposes pursuant to the relevant requirements of Administration System of Use of Proceeds from Issuance of A Shares, and conduct regular internal inspection on the proceeds raised and cooperate with sponsors and the commercial bank the proceeds is deposited at in inspecting and supervising the use of proceeds to avoid risks in the use of proceeds.

VI. COMMITMENTS OF THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY FOR ADOPTION OF REMEDIAL MEASURES FOR THE DILUTION OF IMMEDIATE RETURNS BY A SHARE CONVERTIBLE BONDS

In order to ensure the earnest implementation of these remedial measures, the Directors and senior management of the Company make the following commitments:

(I) They will not harm the Company's interests by tunneling to other units or individuals free of charge or unfairly or in other manners.

(II) They will act in a diligent and thrifty way, and restrict the position-related consumption strictly in accordance with the relevant stipulations of the State, local government and the Company, so as to eliminate excessive consumption and extravagance and waste.

(III) They will not use the Company's assets for investment or consumption that are unrelated with the performance of their duties.

(IV) They will procure the remuneration policies formulated by the Board or the Remuneration Committee to be linked with the implementation of the Company's remedial measures.

(V) It is committed that the exercise conditions of the equity incentive (if any) of the Company to be announced is linked with the implementation of remedial measures of returns of the Company.

In the event of any violation, non-performance or incomplete performance of the above commitments, the Company shall bear the relevant legal liability according to the relevant requirements of the securities regulatory authorities.

VII. COMMITMENTS OF THE CONTROLLING SHAREHOLDER OF THE COMPANY FOR ADOPTION OF REMEDIAL MEASURES FOR THE DILUTION OF IMMEDIATE RETURNS BY A SHARE CONVERTIBLE BONDS

Pursuant to the relevant requirements of CSRC, the controlling Shareholder of the Company makes the following commitments for the effective performance of the remedial measures to be adopted by the Company:

It undertakes not to interfere in the operation and management of the Company beyond its authority, nor infringe the interest of the Company.

In the event of any breach of the above commitments or rejection to perform the above commitments, it agrees that CSRC, the Shanghai Stock Exchange and other securities regulatory authorities may impose penalties or administrative measures pursuant to the relevant requirements and regulations formulated or issued and is willing to bear the relevant legal liability.

CHAPTER I GENERAL PROVISIONS

Article 1 In order to regulate the organization and behavior of A Share Convertible Bond Holders' meetings for the public issuance of the Company, specify the rights and obligations of A Share Convertible Bond Holders' meetings and protect the legitimate rights and interests of the A Share Convertible Bond Holders, the rules have been formulated pursuant to the relevant requirements under the laws and regulations including the Company Law, the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Administration Measures for the Issuance of Securities by Listed Companies (《上市公司證券發行管理辦法》) promulgated by CSRC, the Shanghai Stock Exchange Share Listing Rules (《上海證券交易所股票上市規則》) and other normative documents with reference to the actual conditions of the Company.

Article 2 The A Share Convertible Bonds under the rules shall be the A Share Convertible Bonds as agreed to be issued by the Company pursuant to the Offering Document of the Public Issuance of A Share Convertible Corporate Bonds of China Communications Construction Company Limited (the "**A Share Convertible Bonds Offering Document**"). A Share Convertible Bond Holders shall refer to the investors who acquire A Share Convertible Bonds though subscription, purchase or other legal means.

Article 3 A Share Convertible Bond Holders' meetings shall be composed of all A Share Convertible Bond Holders under the rules and shall be convened and held according to the procedures stipulated in the rules to consider and vote for the matters within the extents of authority stipulated in the rules according to laws.

Article 4 The resolutions passed at A Share Convertible Bond Holders' meetings under the rules shall be equally binding on all A Share Convertible Bond Holders (including those who are present at the meetings, do not attend the meetings, vote against the resolutions or abstain from voting and the A Share Convertible Bond Holders who become the holders of the A Share Convertible Bonds through transfer after passing the relevant resolutions).

Article 5 Investors who hold the A Share Convertible Bonds through subscription or other means are deemed to agree all the articles under the rules and to be bound by the rules.

CHAPTER II RIGHTS AND OBLIGATIONS OF A SHARE CONVERTIBLE BOND HOLDERS

Article 6 Rights of the A Share Convertible Bond Holders:

(1) to receive agreed interests in accordance with the number of the A Share Convertible Bonds held by A Share Convertible Bond Holders;

(2) to convert the A Share Convertible Bonds held by A Share Convertible Bond Holders into A Shares according to the agreed conditions contained in the A Share Convertible Bonds Offering Document;

(3) to exercise right of sale back on agreed conditions contained in the A Share Convertible Bonds Offering Document;

(4) to assign, bestow or pledge the A Share Convertible Bonds held by A Share Convertible Bond Holders in accordance with the laws, administrative regulations and the Articles of Association;

(5) to receive relevant information in accordance with the laws and the Articles of Association;

(6) to request the Company to repay the principal and interest of the A Share Convertible Bonds within the agreed period and by the agreed manner contained in the A Share Convertible Bonds Offering Document;

(7) right to attend the meetings of A Share Convertible Bond Holders, either in person or by proxy, and vote in accordance with relevant regulation under laws and administrative regulations; and

(8) other rights as creditors of the Company prescribed by applicable laws, administrative regulations and Articles of Association.

Article 7 Obligations of the A Share Convertible Bond Holders:

(1) to abide by the relevant terms of the issuance of A Share Convertible Bonds by the Company;

(2) to pay the subscription amount in accordance with the number of A Share Convertible Bonds subscribed for;

(3) to abide by the resolutions approved at the meetings of A Share Convertible Bond Holders;

(4) not to request the Company to make prepayment of the principal and interest of A Share Convertible Bonds, unless otherwise required by applicable laws and regulations, or otherwise agreed in the A Share Convertible Bonds Offering Document; and

(5) other obligations of A Share Convertible Bond Holders prescribed by applicable laws, administrative regulations and the Articles of Association.

CHAPTER III EXTENTS OF AUTHORITY OF A SHARE CONVERTIBLE BOND HOLDERS' MEETING

Article 8 The extents of authority of A Share Convertible Bond Holders' meetings are as follows:

(1) to resolve to whether to agree the Company's proposal of modifying the plan contained in the A Share A Share Convertible Bond Offering Document, despite of the fact that the A Share Convertible Bond Holders' meeting shall not resolve to agree the Company in not paying the principal and interest of the A Share Convertible Bonds, modifying the interest rate and term of the A Share Convertible Bonds or cancelling the terms of redemption or sale back contained in the A Share Convertible Bond Offering Document;

(2) to resolve to whether to agree the solution to the failure to pay the principal and interest of the A Share Convertible Bonds on time by the Company; to resolve to the enforcement of repaying the principal and interest of the A Share Convertible Bonds by the Company and the guarantors through litigation and other procedures; to resolve to whether to participate in the legal procedures of the Company including rectification, settlement, reorganization or bankruptcy;

(3) to resolve to whether to accept the Company's proposal in relation to a capital reduction (other than a capital reduction caused by a share buyback under equity incentive), merger, division, dissolution or files for bankruptcy and to resolve to the plan of exercising the rights entitled to the A Share Convertible Bond Holders according to laws;

(4) to resolve to the plan of exercising the rights of the A Share Convertible Bond Holders according to laws in case any material adverse change arises from the guarantors or the collateral;

(5) to resolve to the plan of exercising the rights of the A Share Convertible Bond Holders according to laws in case any event having a material impact on the interests of the A Share Convertible Bond Holders happens;

(6) to resolve to the amendments to the rules as permitted by the laws and regulations; and

(7) other circumstances which require to resolve at A Share Convertible Bond Holders' meetings in accordance with the laws, administrative regulations and normative documents.

CHAPTER IV CONVENING OF A SHARE CONVERTIBLE BOND HOLDERS' MEETING

Article 9 A Share Convertible Bond Holders' meetings shall be convened and chaired by the Board. The Board shall, within 30 days after the proposal of convening an A Share Convertible Bond Holders' meeting has been raised or received by the Board, convene the A Share Convertible Bond Holders' meeting. The Board shall publish a notice to all A Share Convertible Bond Holders and the relevant attendees in at least one designated media for information disclosure of listed companies at least 15 days prior to the meeting, which shall specify the specific time, venue, agenda, and methods, etc. as confirmed by the Board.

Article 10 During the term of A Share Convertible Bonds, an A Share Convertible Bond Holder' meeting shall be convened by the Board upon the occurrence of any of the following events:

(1) the Company proposes to change the terms of A Share Convertible Bond Offering Document;

(2) the Company defaults in paying the principal and interests of A Share Convertible Bonds for the current period on time;

(3) the Company undertakes a capital reduction (other than a capital reduction caused by a share buyback under equity incentive), merger, division, dissolution or files for bankruptcy;

(4) the Company amends the rules for A Share Convertible Bond Holders' meeting; and

(5) other matters which may affect the material interests of A Share Convertible Bond Holders.

Article 11 The following entities or persons may propose an A Share Convertible Bond Holders' meeting:

(1) the Board;

(2) the A Share Convertible Bond Holders holding 10% or more of the total par value of the outstanding A Share Convertible Bonds in aggregate through written proposal;

(3) other entities or persons prescribed by CSRC.

Article 12 Within 15 days after the events mentioned in Articles 10 of the rules happen, or within 15 days after holders individually or jointly holding 10% or more of the par value of the outstanding A Share Convertible Bonds propose to convene an A Share Convertible Bond Holders' meeting in writing to the Board, in the event that the Board fails to perform its duties under the rules, the holders individually or jointly holding 10% or more of the total par value of the outstanding A Share Convertible Bonds are entitled to publish a notice of convening the A Share Convertible Bond Holders' meeting in the form of an announcement.

Article 13 After a notice of A Share Convertible Bond Holders' meeting is given, no change shall be made to the meeting time or the proposals stated in the notice and the meeting shall not be cancelled due to a reason other than force majeure. In the event that there is a change in the meeting time or the proposals stated in the notice or the meeting is cancelled due to force majeure, the convenor shall notify all A Share Convertible Bond Holders with reasons provided in the form of an announcement within at least 5 trading days prior to the original date of convening such A Share Convertible Bond Holders' meeting. No change shall be made to the record date of the A Share Convertible Bond Holders. The supplemental notice of the A Share Convertible Bond Holders' meeting shall be published in the same designated media in which the notice of meeting was published.

After a notice of A Share Convertible Bond Holders' meeting is given, in the event that the proposals to be resolved at such A Share Convertible Bond Holders' meeting are cancelled, the convenor may cancel such A Share Convertible Bond Holders' meeting with reasons provided in the form of an announcement.

Article 14 The convenor of the A Share Convertible Bond Holders' meeting shall publish the notice of A Share Convertible Bond Holders' meeting in the media designated by CSRC. A notice of A Share Convertible Bond Holders' meeting shall comprise the following contents:

(1) the time, venue, convenor and way of voting of the meeting;

(2) matters to be considered at the meeting;

(3) explicit text stating that all A Share Convertible Bond Holders are entitled to attend and vote at the A Share Convertible Bond Holders' meeting, either in person or by proxy;

(4) the record date on which to determine A Share Convertible Bond Holders who are entitled to attend the A Share Convertible Bond Holders' meeting;

(5) necessary documents and formalities required for attending the meeting, including but not limited to the power of attorney authorizing the proxy to attend the meeting on behalf of the A Share Convertible Bond Holder;

(6) the name of the convenor and the names and telephone numbers of the contact persons for the affairs of the meeting; and

(7) other matters required to be notified by the convenor.

Article 15 The record date of the A Share Convertible Bond Holders' meeting shall not be earlier than 10 days prior to the date of convening the A Share Convertible Bond Holders' meeting and shall not be later than 3 days prior to the date of convening the A Share Convertible Bond Holders' meeting. The holders of the outstanding A Share Convertible Bonds whose names appear in the depository register of China Securities Depository and Clearing Corporation Limited or of other institutions approved under applicable laws at the close of the record date will be entitled to attend the A Share Convertible Bond Holders' meeting.

Article 16 On-site A Share Convertible Bond Holders' meeting shall in principle be held at the domicile of the Company. The venue shall be provided by the Company or the convenor of the A Share Convertible Bond Holders' meeting.

Article 17 An institution or a person who issues a notice of A Share Convertible Bond Holders' meeting under the rules is the convenor of such meeting.

Article 18 When convening the A Share Convertible Bond Holders' meeting, the convenor shall engage lawyers to issue legal opinions in relation to the following matters:

(1) whether or not the procedures for convening and holding the meeting are in compliance with laws, regulations and the rules;

(2) whether or not the qualifications of the persons present at the meeting, and of the convenor are lawful and valid;

(3) whether or not the voting procedures at the meeting and the voting results are lawful and valid; and

(4) other legal opinions to be issued in relation to other relevant matters at the request of the convenor.

CHAPTER V PROPOSALS, PARTICIPANTS AND THEIR RIGHTS OF A SHARE CONVERTIBLE BOND HOLDERS' MEETING

Article 19 The proposal to be proposed at the A Share Convertible Bond Holders' meeting for consideration shall be drafted by the convenor and shall be in compliance with the laws and regulations as permitted within the extents of authority of the A Share Convertible Bond Holders' meeting with clear subject matters and specific items to be resolved.

Article 20 The matters to be considered at the A Share Convertible Bond Holders' meeting shall be decided by the convenor according to Article 8 and Article 10 of the rules.

A Share Convertible Bond Holders individually or jointly holding 10% or more of the par value of the outstanding A Share Convertible Bonds may bring forward a provisional proposal to the A Share Convertible Bond Holders' meeting. The Company and its connected parties may attend the A Share Convertible Bond Holders' meeting and bring forward a provisional proposal. The provisional proposal, provided with complete details, shall be submitted to the convenor no later than 10 days prior to the date of convening the A Share Convertible Bond Holders' meeting. The convenor shall issue a supplemental notice of A Share Convertible Bond Holders' meeting within 5 days after receiving the provisional proposal and publish an announcement containing the name of the A Share Convertible Bond Holder who proposed such proposal, the percentage of the bonds held by such A Share Convertible Bond Holder and the particulars of such proposal. The supplemental notice shall be published in the same designated media in which the notice of meeting was published.

Unless otherwise provided in the above articles, the convenor shall not amend the proposals set out in the notice of A Share Convertible Bond Holders' meeting, or add new proposals after the notice of meeting is given. No voting shall take place and no resolutions shall be made at the A Share Convertible Bond Holders' meeting on the proposals which are not set out in the notice of the meeting (including the supplemental notice of adding provisional proposals) or do not meet the requirements under the rules.

Article 21 A Share Convertible Bond Holders may attend and vote at an A Share Convertible Bond Holders' meeting in person, and also may appoint a proxy to attend and vote on their behalves. The travelling, catering and accommodation expenses incurred by the A Share Convertible Bond Holders and their proxies for attending the A Share Convertible Bond Holders' meeting shall be borne by the A Share Convertible Bond Holders.

The Company, as the issuer of A Share Convertible Bonds, may attend the A Share Convertible Bond Holders' meeting and proposes the resolutions for discussion and determination at the meeting, but has no voting rights. A Share Convertible Bond Holders who are the Shareholders holding more than 5% Shares of the Company, or the connected parties of such Shareholders, the Company and the guarantors (collectively, the "Other Key Related Parties"), may express their opinions and propose the resolutions for discussion and determination at the A Share Convertible Bond Holders' meeting, but have no voting rights, and the number of A Share Convertible Bonds held by them shall not be included in the total number of the A Share Convertible Bonds having voting rights when passing a resolution at the A Share Convertible Bond Holders' meeting. The record date of determining the aforementioned Shareholders of the Company shall be the record date of the A Share Convertible Bond Holders.

With the consent of the chairman of the meeting, the guarantors of the A Share Convertible Bonds or other key connected parties may attend the A Share Convertible Bond Holders' meeting and have the right to explain for the relevant matters but have no voting rights.

Article 22 An A Share Convertible Bond Holder who attends A Share Convertible Bond Holders' meeting shall produce his/her own identity document and stock account card holding the outstanding A Share Convertible Bonds or other supporting documents as required by the applicable laws. A legal representative or responsible person who attends an A Share Convertible Bond Holders' meeting on behalf of the A Share Convertible Bond Holder shall produce his/her own identity document, valid proof of his/her qualification as a legal representative or responsible person and stock account card holding the outstanding A Share Convertible Bonds or other supporting documents as required by the applicable laws.

A proxy who attends an A Share Convertible Bond Holders' meeting on behalf of the A Share Convertible Bond Holder shall produce his/her own identity document, power of attorney issued by such A Share Convertible Bond Holder (or his/her legal representative or responsible person) according to laws, identity document of such A Share Convertible Bond Holder, stock account card holding the outstanding A Share Convertible Bonds of such A Share Convertible Bond Holder or other supporting documents as required by the applicable laws.

Article 23 The power of attorney issued by an A Share Convertible Bond Holders to appoint another person to attend the A Share Convertible Bond Holders' meeting shall contain the following particulars:

(1) the name and identity card number of the proxy;

(2) the extents of authority of the proxy, including but not limited to the right to vote;

(3) the instructions to vote for or against, or to abstain from voting on, each matter set out on the agenda of the A Share Convertible Bond Holders' meeting;

(4) the date and validity of the power of attorney; and

(5) the signature or seal of such A Share Convertible Bond Holder. The power of attorney shall contain a statement that, in the absence of specific instructions from the A Share Convertible Bond Holder, the proxy may or may not vote at his/her discretion. The power of attorney shall be made available to the convenor of the A Share Convertible Bond Holders' meeting at least 24 hours prior to the meeting.

Article 24 The convenor and the lawyer shall jointly verify the qualifications and legitimacy of A Share Convertible Bond Holders attending the meeting based on the register of the holders of A Share Convertible Bonds provided by the securities registration and clearing institution at the close of the record date, and record the names of A Share Convertible Bond Holders and their proxies attending the A Share Convertible Bond Holders' meeting and the number of A Share Convertible Bonds held by them with voting rights.

The aforementioned register of A Share Convertible Bond Holders shall be acquired by the Company from the securities registration and clearing institution and shall be provided to the convenor free of charge.

CHAPTER VI HOLDING OF A SHARE CONVERTIBLE BOND HOLDERS' MEETING

Article 25 A Share Convertible Bond Holders' meetings may be held in the form of on-site meetings, correspondence or other methods.

Article 26 A Share Convertible Bond Holders' meetings shall be chaired by the Chairman of the Board. In the event that the Chairman is unable to chair the meeting, the meeting shall be chaired by the Director authorized by the Chairman. In the event that both the Chairman and the Director authorized by the Chairman are unable to chair the meeting, an A Share Convertible Bond Holder elected by the A Share Convertible Bond Holders representing at least 50% (exclusive) of par value of A Share Convertible Bonds shall chair the meeting.

The chairman of A Share Convertible Bond Holders' meeting shall announce the rules of procedure and important notice of the meeting, nominate and announce scrutineers, and present the proposals. Voting will be commenced after discussion of the proposals. The resolution at the meeting will be effective upon witness by a lawyer.

Article 27 As requested by A Share Convertible Bond Holders individually or jointly holding 10% or more of the total voting rights of A Share Convertible Bonds, the Company shall appoint its directors, supervisors or senior management to present at the A Share Convertible Bond Holders' meeting. Save for the trade secrets of the Company or those as restricted by the applicable laws and the information disclosure requirements of the listed companies, the directors, supervisors or senior management of the Company who present at the meeting shall answer to or explain for the enquiries and suggestions from the A Share Convertible Bond Holders.

Article 28 The convenor of the meeting shall make a signature book of persons attending the meeting. The signature book shall contain the name of A Share Convertible Bond Holders or the proxies attending the meeting, identity card number, residence address, the aggregate par value of the A Share Convertible Bonds with voting rights held or represented by them and their stock account card numbers or the relevant information of other supporting documents as required by the applicable laws.

Meeting registration shall be terminated before the chairman of the meeting announces the number of A Share Convertible Bond Holders and proxies physically present at the meeting as well as the total number of A Share Convertible Bonds held or represented.

Article 29 The directors, supervisors and senior management of the Company may present at A Share Convertible Bond Holders' meetings.

Article 30 As agreed at the meeting, the chairman of the meeting has the right to adjourn and resume the meeting or change the venue of the meeting. As requested at the meeting by way of resolution, the chairman of the meeting shall change the time and venue of the meeting based on the resolution. The resumed meeting after adjournment shall not make a resolution to the matters beyond the extents of the proposals at the original meeting.

CHAPTER VII VOTING, RESOLUTION AND MINUTES OF A SHARE CONVERTIBLE BOND HOLDERS' MEETING

Article 31 Every proposal submitted to the meeting shall be voted by the A Share Convertible Bond Holders who have the right to attend the A Share Convertible Bond Holders' meeting or their duly appointed proxies at the meeting. Every outstanding A Share Convertible Bonds (with a par value of RMB100 each) shall have one vote.

Article 32 Different matters to be considered or different proposals on the same matter to be considered as set forth in the notice of the meeting in the announcement shall be considered and voted one by one. Except for special reasons such as force majeure that result in suspending a meeting or failing to make any resolution, no proposal set forth in the notice of the meeting may be shelved or may not be voted at the meeting.

In the event that there are different proposals on the same matter, they shall be voted and resolved in chronological order of proposing such proposals.

No voting shall take place for the matters not announced at the A Share Convertible Bond Holders' meeting. When considering the matters to be considered at the A Share Convertible Bond Holders' meeting, no change shall be made to the matters to be considered. Any change to the matters to be considered shall be deemed as a new matter to be considered and shall not be voted at such meeting.

Article 33 Voting at A Share Convertible Bond Holders' meetings shall take place by way of open ballot. When the A Share Convertible Bond Holders or their proxies vote for the matters to be considered, they shall only vote for or against or abstain.

The un-filled, wrongly-filled, illegible votes shall be considered as spoilt votes and the correspondingly voting shares for such votes shall not be included in the voting results.

Un-voted votes shall be deemed as the voters' waiver of voting rights and shall not be included in the voting results.

Article 34 The following A Share Convertible Bond Holders may attend A Share Convertible Bond Holders' meetings, submit proposals at the meeting for discussion and express opinions thereon but have no voting rights, and the number of A Share Convertible Bonds represented by them shall not be included in the number of A Share Convertible Bonds in the attendance of A Share Convertible Bond Holders' meetings:

(1) A Share Convertible Bond Holders who hold 5% or more of the Shares in the Company; and

(2) the connected parties of the above Shareholders, the Company and the guarantors.

Article 35 There shall be two scrutineers at the meeting, who are responsible for counting votes and scrutinizing voting. The scrutineers shall be recommended by the chairman of the meeting and shall be served by A Share Convertible Bond Holders (or proxies of A Share Convertible Bond Holders) attending the meeting. A Share Convertible Bond Holders who have connected party relationships with the Company and their proxies shall not serve as scrutineers.

When voting for each of the matters for consideration, the votes shall be counted by at least two A Share Convertible Bond Holders (or proxies of A Share Convertible Bond Holders) and an authorized representative of the Company, who shall announce the voting results on the spot. The lawyer shall be responsible for witnessing the voting procedures.

Article 36 The chairman of the meeting shall confirm whether the resolution at the A Share Convertible Bond Holders' meeting is passed based on the voting results and announce the voting results at the meeting. The voting results for the resolution shall be included in the minutes of the meeting.

Article 37 In the event that the chairman of the meeting has any doubt to the results of the resolution submitted for voting, he/she may recount the casted votes. In the event that the chairman of the meeting does not propose to recount the votes, A Share Convertible Bond Holders (or proxies of A Share Convertible Bond Holders) attending the meeting and disagree with the results announced by the chairman of the meeting shall have the right to demand for recounting the votes immediately upon the announcement of voting results, and the chairman of the meeting shall arrange to recount the votes immediately.

Article 38 Unless otherwise required under the rules, in order to be valid, the resolutions passed at A Share Convertible Bond Holders' meetings shall be agreed by A Share Convertible Bond Holders (or proxies of A Share Convertible Bond Holders) held more than two-thirds of the total par value of the outstanding A Share Convertible Bonds attending the meeting.

Article 39 The resolutions passed at A Share Convertible Bond Holders' meeting shall be effective from the date of passing the voting. Those needed to be approved by CSRC or other authorities shall be effective from the date of approval or the date otherwise determined by the relevant approval. Pursuant to the relevant laws, regulations, A Share Convertible Bond Offering Document and the rules, the resolutions passed at A Share Convertible Bond Holders' meetings by voting shall be legally binding on all A Share Convertible Bond Holders (including those who do not attend the meeting or hold different views towards the results).

In the event that any resolution in relation to the A Share Convertible Bonds causes any change in the rights and obligations between the Company and the A Share Convertible Bond Holders, in addition to those made by A Share Convertible Bond Holders being binding on the Company as clearly stated in laws, regulations, departmental rules and the A Share Convertible Bond Offering Document:

(1) If such resolution is made based on a proposal from an A Share Convertible Bond Holders, it shall be legally binding on the Company and all A Share Convertible Bond Holders after being passed at the A Share Convertible Bond Holders' meeting by voting and obtaining a written consent of the Company;

(2) If such resolution is made based a proposal from the Company, it shall be legally binding on the Company and all A Share Convertible Bond Holders after being passed at the A Share Convertible Bond Holders' meeting by voting.

Article 40 The Board of the Company will make an announcement to inform the A Share Convertible Bond Holders of the resolutions within 2 trading days after the resolution being passed at the A Share Convertible Bond Holders' meeting. The announcement shall contain the date, time, venue, method, convenor and chairman of the meeting, the number of A Share Convertible Bond Holders and proxies attending the meeting, the number of A Share Convertible Bonds with voting rights represented by A Share Convertible Bond Holders and proxies attending the meeting and its percentage to the total number of the A Share Convertible Bonds, the voting results of each of the matters to be considered and the details of the resolutions passed.

Article 41 Minutes shall be prepared for A Share Convertible Bond Holders' meetings and shall contain the following particulars:

(1) time, venue and agenda of the meeting and the name of convenor;

(2) names of the chairman of the meeting, persons who attend and present at the meeting and witnessing lawyer, scrutineers and vote counters of the meeting;

(3) number of A Share Convertible Bond Holders and proxies attending the meeting, the number of A Share Convertible Bonds with voting rights represented by them and its percentage to the total number of the A Share Convertible Bonds;

(4) the main points for each of the matters to be considered;

(5) the voting results of each of the matters voted for;

(6) the enquiries and suggestions from A Share Convertible Bond Holders and the reply and explanation from the directors, supervisors or senior management of the Company; and

(7) any other particulars considered to be necessary to be included in the minutes according to the laws, administrative regulations, normative documents and A Share Convertible Bond Holders' meetings.

Article 42 The convenor and chairman of the meeting shall guarantee the trueness, accuracy and completeness of the minutes of A Share Convertible Bond Holders' meeting. The minutes shall be signed by the chairman, convenor (or his/her representative), recorder and scrutineers who attend the meeting. The Board shall keep the minutes, casted votes, signature books, power of attorney, legal opinions issued by lawyers and other documents and information in relation to A Share Convertible Bond Holders' meetings for ten years.

Article 43 The convenor shall guarantee the proceeding of the A Share Convertible Bond Holders' meeting until a final resolution is formed.

In the event that the meeting is interrupted, cannot proceed normally or fails to make a resolution due to special reasons such as force majeure and unexpected events, necessary measures shall be taken to resume or directly terminate the meeting as soon as possible and an announcement shall be made for such circumstances. At the same time, the convenor shall report to the branch of CSRC in where the Company operates and the Shanghai Stock Exchange. Measures shall be taken to stop the behavior which interrupts the meeting, provokes troubles and infringe the legitimate rights of A Share Convertible Bond Holders and a report shall be made to the relevant authorities for investigation and punishment.

Article 44 The Board shall execute the resolutions passed at the A Share Convertible Bond Holders' meetings in a strict manner, communicate with the relevant parties on behalf of A Share Convertible Bond Holders with respect to the relevant resolutions in a timely manner and procure the concrete implementation of the resolutions passed at the A Share Convertible Bond Holders' meetings.

CHAPTER VIII SUPPLEMENTAL PROVISIONS

Article 45 If there is any specific provision on these rules for the A Share Convertible Bond Holders' meeting in the laws, administrative regulations and normative documents, such provision shall be complied with. Without the consent of the Company and being resolved and passed at A Share Convertible Bond Holders' meeting, no change shall be made to the rules.

Article 46 The matters to be announced under the rules shall be announced on the website of the Shanghai Stock Exchange and the media of information disclosure designated by the Company.

Article 47 In the rules, the expressions of "above" and "within" shall be inclusive of the stated figure while the expressions of "over", "lower than" and "more than" shall be exclusive of the stated figure.

Article 48 The "outstanding A Share Convertible Bonds" mentioned in the rules refers to all issued A Share Convertible Bonds other than the following A Share Convertible Bonds:

(1) A Share Convertible Bonds which have paid for principal and interest;

(2) A Share Convertible Bonds which falls due for principal and interest with such payment being paid by the Company to the payment agent and becoming available to pay principal and interest to A Share Convertible Bond Holders. The payment shall comprise any interest and principal of such A Share Convertible Bonds payable under the terms of the A Share Convertible Bonds as at the date of payment;

(3) A Share Convertible Bonds which have been converted to the A Shares of the Company; and

(4) A Share Convertible Bonds which have been repurchased and cancelled by the Company as agreed.

Article 49 Any dispute arising from the legitimacy of the convening, holding, voting procedures and resolution of A Share Convertible Bond' meetings shall be resolved through litigation at the people's court having the right of jurisdiction in where the Company's domicile located at.

Article 50 The rules shall be effective from the date of issuing A Share Convertible Bonds upon consideration and approval at the EGM of the Company.

To ensure legal and efficient implementation of the Proposed Issuance of A Share Convertible Bonds and determine the specific matters in relation to the A Share Convertible Bonds Issuance Plan according to the conditions of the capital markets, it is proposed at the EGM to authorize the Board or its authorized persons to exercise the full power to handle matters related to the Proposed Issuance of the A Share Convertible Bonds under the requirements of relevant laws and regulations, which shall include, among other matters, the following:

I. AUTHORIZATION IN CONNECTION WITH THE ISSUANCE

To ensure smooth implementation of the issuance, it is proposed at the EGM to authorize the Board to exercise the full power to handle matters related to the issuance of A Share Convertible Bonds under the framework and principles as considered and approved at the EGM. The validity period of the authorization will be 12 months from the date on which the resolution is approved at the EGM. The Board will, based on the actual conditions of the issuance of A Share Convertible Bonds, propose to the EGM before the expiry of the validity of such authorization to seek for new authorization. The specific content and scope of the authorization shall include, among other matters, the following:

a. To the extent of the scope as permitted by the relevant laws and regulations and the resolutions of the EGM, in accordance with the requirements of the relevant regulatory authorities, and based on the actual conditions of the Company, to determine the specific issue terms and plan, to devise and implement the final plan of the issuance, including but not limited to, determining the issuance size, issue method, target subscribers, interest rate, terms of conversion, terms of redemption, amounts of preferential allotment to existing A Shareholders and rating arrangements etc., and to determine the schedule of the issuance and any other matters in relation to the A Share Convertible Bond Issuance Plan before the issuance;

b. In accordance with relevant regulations, based on changes in policies, market conditions, the opinions of the government departments and regulatory authorities on the application of the issuance of A Share Convertible Bonds and other circumstances, to the extent of the scope as permitted by the relevant laws and regulations, to make appropriate amendments, adjustments and supplements to the specific A Share Convertible Bond Issuance Plan and relevant application documents and supplementary documents (including but not limited to the dilution on current returns and remedial measures, feasibility report on the use of proceeds etc.) in accordance with the opinions of regulatory authorities, save for matters that require the re-approval at the general meeting pursuant to the relevant laws and regulations, the Articles of Association or as required by regulatory authorities;

c. To the extent authorized by the EGM, to make appropriate adjustments to the proposed use of the raised proceeds and its specific arrangements based on the actual progress and needs of the investment projects. Before the receipt of the proceeds, the Company may implement the investment projects using its own funds. Such capital will be replaced upon the receipt of proceeds; to make appropriate adjustments to the investment projects according to the relevant laws and regulations, regulatory requirements and market conditions;

d. To open special account for the proceeds to be raised under the issuance;

e. To handle relevant matters such as the listing of A Share Convertible Bonds etc. upon the completion of the issuance;

f. In accordance with the relevant laws, regulations and the requirements of regulatory authorities, to analyse, study and demonstrate the dilution on current returns arising from the issuance of the A Share Convertible Bonds, to formulate and implement relevant remedial measures for dilution of current returns, to amend, supplement and improve relevant analysis and measures under the original framework in accordance with any new regulations, policies, implementing rules or self-disciplining standards to be promulgated in the future, and handle any other matter in relation thereto with full power;

g. To determine the agents to be engaged in relation to the issuance, to implement matters such as the filing of the issuance in accordance with the requirements of the regulatory authorities, to formulate, prepare, amend, improve, execute and file all documents in relation to the issuance and listing, to execute, amend, supplement, implement and suspend the contracts, agreements and any other important documents in relation to the issuance (including but not limited to sponsorship agreement, underwriting agreement, proceeds monitoring agreement and the agency agreement), and to handle the information disclosure matters in relation to the issuance in accordance with the regulatory requirements;

h. To the extent as permitted by relevant laws and regulations, to take all necessary actions to determine or handle any other matters in relation to the issuance.

II. OTHER AUTHORIZATIONS IN RELATION TO THE A SHARE CONVERTIBLE BONDS

During the term of A Share Convertible Bonds, it will be proposed to the EGM to authorize the Board to exercise the full power to handle the following matters under the framework and principles as considered and approved at the EGM:

a. Matters in connection with redemption: to handle all matters in relation to the redemption, including but not limited to the timing of redemption, the percentage of redemption and the execution procedure, in accordance with the laws, regulations, the Articles of Association and market conditions;

b. Matters in connection with share conversion: in accordance with the laws, regulations, the Articles of Association and market conditions, to handle all matters in relation to share conversion, including but not limited to the adjustment of conversion price; amendments to the articles related to the registered capital under the Articles of Association based on the progress of the conversion of A Share Convertible Bonds in due course, and the handling of matters in relation to the approval of amendments to the Articles of Association, industrial and commercial filing, approval for changes in registered capital and changes in industrial and commercial registration, etc.;

c. To the extent as permitted by the relevant laws and regulations, to take all necessary steps to determine or implement all other matters during the term of A Share Convertible Bonds.

III. TO PROPOSE AT THE EGM TO AUTHORIZE THE BOARD TO DELEGATE THE ABOVE AUTHORIZATIONS TO THE DIRECTOR TEAM, WHICH COMPOSED OF LIU QITAO, CHEN FENJIAN AND FU JUNYUAN, EFFECTIVE FROM THE DATE ON WHICH THE RELEVANT RESOLUTION PASSED AT THE EGM, SUBJECT TO THE GRANT OF THE ABOVE AUTHORIZATIONS TO THE BOARD, UNLESS OTHERWISE REQUIRED BY THE RELEVANT LAWS AND REGULATIONS.

The Company hereby formulates the Shareholders' return plan for the future three years of 2017 to 2019 (the "Plan") in full consideration of the Company's actual business conditions and future development needs pursuant to the Company Law, Notice of the China Securities Regulatory Commission on Matters Relating to the Further Implementation of Cash Dividend Distribution by Listed Companies (《中國證券監督管理委員會關於進一步落實上市公司現金分紅有關事項的通知》) (Zheng Jian Fa [2012] No. 37), Regulatory Guidance to Listed Companies No. 3 – Cash Dividend Payments by Listed Companies (《上市公司監管指引第3號 – 上市公司現金分紅》), the Guideline on the Distribution of Cash Dividends of Listed Companies on Shanghai Stock Exchange (《上海證券交易所上市公司現金分紅指引》) and other relevant laws, regulations and normative documents as well as the Articles of Association, with a view to further strengthening the Shareholder' return mechanism, enhancing transparency and operability of the profit distribution policy and rewarding investors proactively.

1. FACTORS CONSIDERED IN FORMULATING THE PLAN

(1) Places great emphasis on sustainable development of the Company and takes into comprehensive consideration the current development status of the industry in which the Company operates, development strategies and objectives of the Company, and macro factors such as the external financing environment and financing costs.

(2) Takes into full consideration the actual operating conditions, as well as current and future profitability scale, cash flows, phase of development, project investment capital needs, and other internal factors.

(3) Strikes a reasonable balance between investment return of Shareholders and long-term development of the Company.

(4) Ensure the transparency, sustainability, stability and operability of the Company's profit distribution policy.

2. PRINCIPLES FOR FORMULATING THE PLAN

(1) The Company shall implement consistent and stable profit distribution policy and attach importance to investors' reasonable investment return with a view to the Company's actual operating conditions and sustainable development. Priority shall be given to distribution of profits in cash. In deciding, demonstrating and determining profit distribution policy at board meetings and general meetings, the Company shall strengthen communications and contacts with Independent Directors and Supervisors and ensure that the opinions and requests of medium and minority shareholders are fully listened. The Company shall practically protect the legitimate interests of investors, in particular medium and minority investors.

(2) The Board shall collectively consider factors such as the characteristics of the industry, phase of development, its own operation model, profit level and whether there is material capital expenditure to propose different cash dividend policies and determine the proportion of cash dividend in profit distribution of that year according to the procedures provided in the Articles of Association, the proportion shall comply with laws, regulations, normative documents and relevant requirements of the Stock Exchange.

3. DIVIDEND DISTRIBUTION PRINCIPLE FOR PREFERENCE SHAREHOLDERS FOR THE THREE YEARS OF 2017 TO 2019

(1) The Company may distribute dividends to the preference Shareholders at the pre-agreed dividend rate if there are distributable profits attributable to the owner of the parent (according to the financial statements of the parent) after recovery of losses and appropriation of statutory reserve funds. The preference Shareholders shall take precedence over ordinary Shareholders in distribution of dividends.

(2) Dividends for the preference Shares shall be paid in cash while dividends shall be paid once annually. Any amount of dividends not fully paid to the preference Shareholders in that particular year will not be accumulated to the following year.

(3) The Board shall pay the dividends for the preference Shares normally in accordance with the mandate granted by resolution at the general meeting. If the dividends are not paid or are paid in part, it shall be submitted to the general meeting for consideration.

(4) If the Company cancels the distribution of part or all of the dividends for the preference Shares, unless the Company distributes all of the declared dividends for the preference Shares for that particular year, the Company shall not distribute any dividends to its ordinary Shareholders over the same year.

(5) The preference Shareholders, upon receiving the distributed dividends in accordance with the pre-agreed dividend nominal rate, shall no longer participate in the distribution of remaining profits with ordinary Shareholders.

4. SHAREHOLDERS' RETURN PLAN FOR ORDINARY SHAREHOLDERS FOR THE THREE YEARS OF 2017 TO 2019

The Company may distribute annual dividends to Ordinary Shareholders if there are distributable profits after recovery of losses, appropriation of statutory reserve funds and pre-agreed dividend payment to preference Shareholders.

(1) Method of Dividend Distribution: Dividends shall be distributed in cash or shares. Where the Company fulfills the conditions for dividend distribution in the form of cash, the Company shall give priority to dividend distribution in cash. The profit to

be distributed to ordinary Shareholders in cash by the Company per year shall not be less than 10% of the distributable profit available for ordinary Shareholders for the relevant year. Where the Company distributes profit in the form of shares, full consideration shall be taken with respect to true and reasonable factors such as the growth of the Company, the dilution of net assets per share, and that dividend payment in shares will be in the interests of Shareholders as a whole.

(2) The Company shall fulfill the following conditions in implementing proposed dividend distribution in cash:

1. The distributable profit realized (i.e. the distributable profit after tax after recovery of losses, appropriation of statutory reserve funds and pre-agreed dividend payment to Preference Shareholders) by the Company for the year are positive;

2. The cash flows of the Company can meet the normal production and operation and long-term development.

(3) In any of the following circumstances, the Company may not implement dividend distribution in cash:

1. The annual profit available for Shareholders is insufficient for an actual distribution;

2. The auditors have yet to issue a standard auditor's report without qualified opinion on the financial report of the Company for the year;

3. The Company has overdue loan payment due to difficulties in cash flow;

4. The Company encounters external payment crisis;

5. Profit arising from non-recurring profits or losses, capital reserves arising from fair value changes or unallocated profits shall not be utilized to distribute cash dividends;

6. The accumulated expenditure of the Company on the intended external investment, acquisition of assets or procurement of equipment within the next 12 months which exceeds 20% of the audited net assets of the Company in the latest period;

7. Other circumstances specified by the regulatory authorities occur.

(4) Cash dividend proportion:

1. The Company shall take into comprehensive account the general development of the industry it operates and its industrial position with the latest capital expenditure arrangements of the Company to determine the proportion of cash dividend in profit distribution:

   (1) Where the Company is in a developed stage with no substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution during the profit distribution;

   (2) Where the Company is in a developed stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution during the profit distribution;

   (3) Where the Company is in a developing stage with substantial capital expenditure arrangements, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution during the profit distribution.

   If it is difficult to determine the Company's stage of development while it has significant capital expenditure arrangements, the profit distribution may be dealt with pursuant to the rules applied in the previous distribution.

   The above-mentioned significant capital expenditure refers to the accumulated expenditure of the Company on the intended external investment, acquisition of assets or procurement of equipment within the next 12 months which is up to or exceeds 10% of the audited net assets of the Company in the latest period.

2. The accumulated cash distribution of profit for the last three years of the Company is not less than 30% of the average annual distributable profit realized in the last three years.

   (1) If the Company records profit but the Board has not propose a cash dividend distribution preliminary plan, or that the dividend distribution cannot reach the aforesaid proportion, the Board shall give special explanations at the general meeting, and explains in the periodic report the reasons for the lack of cash dividend distribution, and the use of proceeds retained in the Company not applied to dividend distribution. The Independent Directors shall express their independent opinions to this matter and express independent opinions on the use of proceeds retained not applied to dividend distribution in the previous year. The above-mentioned opinions of the Independent Directors shall be disclosed.

(2) If the accumulated cash distribution of profit for the last three years of the Company is less than 30% of the average annual distributable profit realized in the last three years, it must not issue to the public new shares, A share convertible bonds or place shares with existing Shareholders.

(3) Specific conditions for making dividend distribution in shares: Where the Company is under a good operating condition with reasonable capital size, and the Board believes that distributing dividends in shares will be beneficial to the growth of the Company and in the interest of all its Shareholders as a whole, the Company may propose profit distribution in share.

(4) Intervals for profit distribution: The Company shall distribute profit on an annual basis, and interim profit may also be distributed.

(5) The Company's shares held by the Company are not included in the distribution of profit.

5. DECISION-MAKING PROCESS FOR THE DISTRIBUTION OF PROFIT OF THE COMPANY

(1) The preliminary plan for the annual profit distribution of the Company shall be proposed by the Board in accordance with the requirements of the Articles of Association, profitability and capital needs of the Company. It shall be submitted to the general meeting of the Company for consideration and approval after it is considered and approved by the Board with the audit opinions from the independent Directors. Where the profit distribution proposal is considered by the Board, consent of more than half of all the directors is required to be approved. Independent Directors shall provide their independent opinions on the profit distribution proposal, and consent of more than half of the independent Directors of the Company is required to be approved.

(2) If registered accountant has issued audited report with explanatory statement, qualified opinion or cannot give opinion or negative opinion and other modified opinion to the Company's financial report, the Board has to explain the matters for causing the accountant issuing such report and the influence to the operation to the Shareholders. If such matter directly influences the profit of that term, the board of directors of the Company shall, based on the de minimis principle, determine the preliminary plan for the profit distribution or the budget for conversion of capital common reserve to capital.

(3) During the demonstration process of the profit distribution plan, the Board shall fully discuss with independent Directors and study and identify the timing, conditions and minimum proportion, conditions for adjustment and requirements for

decision-making procedures involved for implementing the distribution of cash dividends on the basis of sustained, stable, and reasonable returns for all Shareholders to form the profit distribution preliminary plan. Independent Directors shall explicitly express their independent opinions on the profit distribution plan and the Board shall disclose the formulation and implementation progress of the profit distribution plan in the annual report in detail. Independent Directors can collect the voting rights of public Shareholders at the general meeting prior to its convening, and their exercise of the above power shall be agreed by over half of all Independent Directors. The Independent Directors may seek the opinions of the medium and minority Shareholders, prepare a dividend distribution proposal accordingly and present it directly to the Board for consideration.

(4) When the profit distribution plan is considered at the general meeting, it requires approval by more than half of the voting rights held by the Shareholders (including their proxies) present at the general meeting. Before any consideration of the specific cash dividend plan at the general meeting, the Company shall maintain active communications and contacts with Shareholders, particularly minority Shareholders through various channels, fully listen to opinions and appeals of minority Shareholders and answer their concerns in a timely manner. The Board, the independent Directors and Shareholders who meet certain conditions may solicit votes from the Shareholders at the general meeting.

The Company shall observe the Shareholder' return plan. Where the Company needs to adjust and change its cash distribution policy as set out in the Articles of Association due to force majeure or other major changes in the Company's external business environment, which has caused substantive adverse impacts on the operations of the Company, or there are matters such as significant investment plans or significant cash expenditures (other than the use of proceeds) resulting from the operating needs of the Company, the Company shall act on a basis of protecting Shareholders' interests and fully listen to the opinions of the Shareholders (especially public Shareholders), the independent Directors and the Supervisory Committee. Where the Board put forward a proposal for adjusting and changing the profit distribution policy (especially the cash dividend policy), it shall demonstrate and explain in details, and the independent Directors and relevant intermediary agencies (if any) shall provide explicit opinions on whether the adjustment or change in the profit distribution policy (especially the cash dividend policy) will damage the legitimate rights and interests of minority Shareholders, and the Company should disclose the specific reasons and explicit opinions of the independent Directors in its annual report. The proposal for adjusting the profit distribution policy (especially the cash dividend policy) submitted to the general meeting for consideration and approval should be passed by Shareholders present in the meeting representing more than two-thirds of voting rights.

(5) The Supervisory Committee shall supervise the implementation and decision-making process of the Company's cash dividend distribution policy by the Board and management.

6. PERIOD FOR FORMULATING THE SHAREHOLDERS' RETURN PLAN AND RELEVANT DECISION-MAKING MECHANISM

(1) The Board shall review the plan every three years and make timely revision in accordance with changes in regulations or policies to ensure that the content of the plan does not violate the relevant laws and regulations and the profit distribution policy established by the Articles of Association.

(2) In the following three years, if the plan is to be adjusted due to significant changes in the external business environment or its own business conditions, the new Shareholders' return plan shall comply with the relevant laws and regulations and requirements under the Articles of Association.

(3) The relevant proposals for the adjustment or change of Shareholders' return plan shall be drafted and formulated by the Board and approved by the independent Directors before being submitted to the Board for consideration. The independent Directors shall express their opinions on the relevant proposals for the adjustment or change of Shareholders' return plan. The relevant proposals shall be submitted to the general meeting after consideration by the Board and passed by more than two-thirds of the voting rights held by Shareholders (including their proxies) present at the general meeting.

7. MISCELLANEOUS

(1) The right to interpret this document shall belong to the Board, and the document shall take effect from the date when it is approved by the general meeting of the Company.

(2) Matters not covered in this document are subject to the relevant laws, regulations, regulatory requirements, and provisions of the Articles of Association.

1. USE OF THE PREVIOUSLY RAISED PROCEEDS

As approved in the Reply to the Approval for Initial Public Offering of China Communications Construction Company Limited (Zheng Jian Fa Xing Zi [2012] No. 125) (證監發行字[2012]125號文《關於核准中國交通建設股份有限公司首次公開發行股票的批覆》) and Reply to the Approval for Absorption Merger of Road & Bridge International Co., Ltd. (Zheng Jian Xu Ke [2012] No. 126) (證監許可[2012]126號文《關於核准中國交通建設股份有限公司吸收合併路橋集團國際建設股份有限公司的批覆》) issued by the CSRC, the Company launched the initial public offering of A shares in China in March 2012 and was listed on the Shanghai Stock Exchange after the completion of the issuance.

As approved in the Reply to the Relevant Issues of Non-public Issuance of Preference shares of China Communications Construction Company Limited (Guo Zi Chan Quan [2014] No. 1203) (國資產權[2014]1203號《關於中國交通建設股份有限公司非公開發行優先股股票有關問題的批覆》) issued by SASAC on 25 December 2014 and Reply to the Approval for Non-public Issuance of Preference Shares of China Communications Construction Company Limited (Zheng Jian Xu Ke [2015] No. 1348) (證監許可[2015]1348號文《關於核准中國交通建設股份有限公司非公開發行優先股的批覆》) issued by the CSRC on 24 June 2015, the Company has completed the non-public issuance of preference shares to eligible investors in China in two tranches on 1 September 2015 and 19 October 2015 respectively.

Pursuant to the Rules Concerning the Report on the Use of Proceeds from Previous Fundraising Activities (Zheng Jian Fa Xing Zi [2007] No. 500) (《關於前次募集資金使用情況報告的規定》(證監發行字[2007]500號)), the Company has formulated the report on the use of the previously raised proceeds as of 30 September 2017, details are as follows:

(1) Amount and availability of previously raised proceeds

In March 2012, a total of 423,809,500 Ordinary A shares in the initial public offering of the Company were subscribed by all shareholders in Road & Bridge International Co., Ltd. ("**Original CRBC**") other than the Company and four wholly-owned subsidiaries under the Company with 38.6% of the equity interests they held in aggregate in Road & Bridge International Co., Ltd., a total of 925,925,925 Ordinary A shares in the initial public offering of the Company were subscribed by public investors. The subscription monies were paid in cash at a total of RMB4,999,999,995. A total of 1,349,735,425 Ordinary A shares were issued by the Company in the initial public offering in China.

After deducting the underwriting expenses of RMB110,000,000, the total proceeds raised by Company amounted to RMB4,889,999,995. After deducting other issuance expenses payable by the Company in an amount of RMB25,965,216, the net proceeds actually raised for the initial public offering of Ordinary A shares of the Company amounted to RMB4,864,034,779. As of 6 March 2012, the aforementioned issuance of RMB-denominated Ordinary A shares and the transfer of proceeds raised have been completed, the proceeds raised were verified by PricewaterhouseCoopers Zhong Tian CPAs Limited Company (renamed into PricewaterhouseCoopers Zhong Tian LLP since 2013) with PwCZT YZ (2012) No. 035 capital verification report.

The Company completed the first tranche of issuance of 90,000,000 preference shares on 1 September 2015 and completed the second tranche of issuance of 55,000,000 preference shares on 19 October 2015.

After deducting the underwriting expenses of RMB11,000,000, the total proceeds raised by Company in the first tranche of issuance of preference shares amounted to RMB8,989,000,000. After deducting other issuance expenses payable by the Company in an amount of RMB9,316,911, the net proceeds actually raised amounted to RMB8,979,683,089. As of 1 September 2015, the aforementioned issuance of preference shares and the transfer of proceeds raised have been completed, the proceeds raised were verified by PricewaterhouseCoopers Zhong Tian LLP with PwCZT YZ (2015) No. 1080 capital verification report.

After deducting the underwriting expenses of RMB5,500,000, the total proceeds raised by Company in the second tranche of issuance of preference shares amounted to RMB5,494,500,000. After deducting other issuance expenses payable by the Company in an amount of RMB5,765,700, the net proceeds actually raised amounted to RMB5,488,734,300. As of 19 October 2015, the aforementioned issuance of preference shares and the transfer of proceeds raised have been completed, the proceeds raised were verified by PricewaterhouseCoopers Zhong Tian LLP with PwCZT YZ (2015) No. 1193 capital verification report.

(2) Previously raised proceeds deposited into special accounts

As at 6 March 2012, the initial deposit amount in the special account for the proceeds raised from the issuance of Ordinary A shares of the Company amounted to RMB4,889,999,995, which was deposited into the account opened by the Company at Bank of China Limited, Beijing Desheng Sub-branch (account number: 320758480352). After deducting other issuance expenses of RMB25,965,216, the net proceeds raised by the Company for the issuance amounted to RMB4,864,034,779.

As at 30 September 2017, the balance in the special account for the previously raised proceeds from the issuance of Ordinary A shares of the Company amounted to RMB62,708,058, which was deposited in the special accounts in the following banks: Bank of China Limited, Beijing Desheng Sub-branch (account number: 320758480352), Agricultural Bank of China Limited, Head Office, Operation department (account number: 81600001040014328), Industrial and Commercial Bank of China Limited, Beijing Hepingli Sub-branch (account number: 0200004229200186680), China Construction Bank Corporation, Beijing Dongsi Sub-branch (account number: 11001007400059588888), China Merchants Bank Co., Ltd., Beijing branch, Operation department (account number: 120905473410504), China CITIC Bank Corporation Limited, Beijing Capital Mansion Sub-branch (account number: 7110210182600098038), and special account for the proceeds from subsidiaries, following the principle of special fund for designated purpose.

As at 1 September 2015, the initial deposit amount in the special account for the proceeds raised from the first tranche of non-public issuance of preference shares of the Company amounted to RMB8,989,000,000, which was deposited into the account opened by the Company at Agricultural Bank of China Limited, Head Office, Operation department (account number: 81600001040015549). After deducting other issuance expenses of RMB9,316,911, the net proceeds raised by the Company for the issuance amounted to RMB8,979,683,089.

As at 19 October 2015, the initial deposit amount in the special account for the proceeds raised from the second tranche of non-public issuance of preference shares of the Company amounted to RMB5,494,500,000, which was deposited into the account opened by the Company at Agricultural Bank of China Limited, Head Office, Operation department (account number: 81600001040015549). After deducting other issuance expenses of RMB5,765,700, the net proceeds raised by the Company for the issuance amounted to RMB5,488,734,300.

As at 30 September 2017, the balance in the special account for the previously raised proceeds from the non-public issuance of preference shares of the Company amounted to RMB472,273,627, which was deposited in the special account at Agricultural Bank of China Limited, Head Office, Operation department (account number: 81600001040015549), and special account for the proceeds from subsidiaries, following the principle of special fund for designated purpose.

2. ACTUAL USE OF THE PREVIOUSLY RAISED PROCEEDS

(1) Comparison of the use of the previously raised proceeds

Pursuant to the plan for use of proceeds as disclosed in the prospectus for the initial public offering of Ordinary A shares of the Company, after deducting the issuance expenses, the proceeds raised from the share issuance will be invested in acquiring dredging ships, engineering ships and mechanical equipment and the construction of BOT transportation infrastructure projects based on its principal business in order of priority.

Pursuant to the use of proceeds as disclosed in the prospectus for the non-public issuance of preference shares of the Company, after deducting the issuance expenses, the proceeds raised from the non-public issuance of preference shares will be used in investing infrastructure projects, supplementing the working capital for significant engineering contracting projects and replenishing the general working capital.

As at 30 September 2017, the actual use of the previously raised proceeds is demonstrated in the Schedule 1 "Comparison of the use of the previously raised proceeds".

(2) Change in the projects actually invested with previously raised proceeds

As the additional capacity of dredging ships acquired by the Company during the "Eleventh Five-Year Plan" period is gradually unleashed, the growth of demand in dredging market has slowed down in 2012, the original plan to acquire dredging ships with proceeds from the issuance of Ordinary A shares was shelved. In order to improve the efficiency of the use of proceeds, the Company put a halt to the acquisition of dredging ships, and turn to invest in infrastructure projects and supplement working capital. In addition, due to the changes in the industry environment, market demand and the technical requirements for the relevant equipment, in order to improve the efficiency of the use of proceeds, the Company made reasonable adjustments in the models of engineering ships and mechanical equipment to be acquired in accordance with its actual business needs. On 28 June 2013, the resolution on the change to the use of proceeds was considered and approved at the 30th meeting of the second session of the Board and the 11th meeting of the second session of the Supervisory Committee of the Company respectively. According to the resolution, the Company proposed to make the following changes to the original plan to acquire dredging ships with proceeds in an amount of RMB1,892,110,100: RMB1,100,000,000 used to invest in Guiyang-Weng'an Expressway BOT Project in Guizhou, RMB330,000,000 used to invest in Chongqing Yanjiang Expressway (Fengdu-Zhongxian Section) BOT Project, the remaining proceeds of RMB462,110,100 served as standing proceeds to supplement working capital; the Company proposed to make the following changes to the original plan to acquire engineering ships and mechanical equipment with proceeds in an amount of RMB1,079,814,700: RMB740,000,000 used in acquiring 2 crane ships, RMB339,814,700 used in acquiring 8 shield machines, all interests generated from the accounts in which the proceeds are deposited served as standing proceeds to supplement working capital. The amount of proceeds involved in the above changes represents 61% of the total proceeds raised. The independent directors and joint sponsors of the Company agreed with the above resolution on the change to the use of proceeds. On 30 October 2013, the above resolution was considered and approved at the 2013 Second Extraordinary General Meeting of the Company.

The non-public issuance of the preference shares of the Company does not involve any change to the projects actually invested with previously raised proceeds.

(3) Early investment and replacement of the projects actually invested with previously raised proceeds

As approved at the 20th meeting of the third session of the Board of China Communications Construction Company Limited held on 30 October 2015, during the period from 24 November 2014 to 30 September 2015, the Company has invested an amount of RMB8,231,664,000 in advance to the projects to be invested with the proceeds from the issuance of preference shares by self-raised funds, details of which are set out in Schedule 3 "Investment in Advance to the Projects to be Invested with the Proceeds from the Issuance of Preference Shares by Self-Raised Funds". The report on investment in advance to the projects to be invested with the proceeds from the issuance of preference shares by self-raised funds was verified by PricewaterhouseCoopers Zhong Tian LLP with PwCZT Te Shen Zi (2015) No. 1600 verification report. The independent directors of the Company agreed on the early investment and replacement of the projects to be invested with proceeds.

(4) Temporary replenishment of working capital by idle funds

There is no temporary replenishment of working capital by idle funds for the Company.

(5) Use of remaining proceeds from the projects invested with previously raised proceeds

As at 30 September 2017, the investment in the projects to be invested with proceeds from the issuance of Ordinary A shares has completed, and the balance of the special account for the proceeds raised amounted to RMB62,708,058, mainly due to the interests generated by the special account for the proceeds raised. Remaining proceeds are less than 5% of the net proceeds raised from the issuance of Ordinary A shares. According to the Administration Measures of Proceeds Raised by Listed Companies of Shanghai Stock Exchange (《上海證券交易所上市公司募集資金管理辦法》), the raised proceeds are intended to be used directly to supplement working capital, and its application will be disclosed in reports periodically.

As at 30 September 2017, the proceeds raised from the non-pubic issuance of preference shares are applied in a normal manner.

3. BENEFITS FROM THE PROJECTS INVESTED WITH PREVIOUSLY RAISED PROCEEDS

(1) Comparison of benefits from the projects invested with previously raised proceeds

For details of the comparison of the projects invested with previously raised proceeds, please see Schedule 2 "Comparison of the projects invested with previously raised proceeds".

(2) Benefits from the projects invested with previously raised proceeds that cannot be accounted separately

For details of the benefits from the projects invested with previously raised proceeds that cannot be accounted separately, please see Schedule 2 "Comparison of the projects invested with previously raised proceeds".

(3) Accumulated benefits from the projects invested with previously raised proceeds less than 20% or more of those as committed

Not applicable.

4. OPERATIONS OF ASSETS THAT ARE USED TO SUBSCRIBE FOR SHARES IN THE PREVIOUSLY RAISED PROCEEDS

In 2012, the Company issued Ordinary A shares to absorb and merge with the Original CRBC, which does not involve the raising of monetary funds, thus there is no time of availability of the proceeds and deposit in the special account; the Company has no corresponding investment projects for the issuance, and thus there is no change to the use of proceeds.

Original CRBC was deregistered after the absorption and merger through share exchange, the Company has established China Communications Construction Road & Bridge Company Limited ("**New CRBC**") to undertake all assets, liabilities, businesses, qualifications and personnel from Original CRBC. Pursuant to the audit report (Rui Hua Shen Zi [2017] No. 01600077) issued by Ruihua Certified Public Accountants (LLP), in 2016, New CRBC recorded an operating income of RMB2,124,2.77 million, operating profit of RMB794.75 million, total profit of RMB800.46 million, net profit attributable to the shareholders of the parent company of RMB625.91 million, total assets of RMB41,705.89 million, total liabilities of RMB35,296.14 million, net assets attributable to the parent company of RMB5,099.89 million.

5. TRANSFER OF THE PROJECTS INVESTED WITH PREVIOUSLY RAISED PROCEEDS

As resolved at the 28th meeting of the third session of the Board of the Company, in December 2016, the subsidiary of the Company transferred 85% of the equity interests in companies held by the subsidiary of the Company, namely Foshan Guangming Expressway Co., Ltd., Chongqing Sihang Tonghe Expressway Investment Co., Ltd., Chongqing Fengfu Expressway Development Co., Ltd. and RBC Chongqing Fengshi Expressway Development Co., Ltd., to Beijing Zhongjiao Merchant Bank Road & Bridge Fund Partnership LLP (北京中交招銀路橋基金合夥企業 (有限合夥)), a joint venture. The equity transfer price is determined to be RMB2,654,542,775 based on the evaluation report issued by the third party valuer and the market circumstance. The consideration of disposal is payable by Beijing Zhongjiao Merchant Bank Road & Bridge Fund Partnership LLP in accordance with the agreement.

On the equity transfer date, the proceeds for Guangming Expressway Extension Project under Foshan Guangming Expressway Co., Ltd., Fuling-Fengdu Expressway Construction Project under Chongqing Fengfu Expressway Development Co., Ltd. and Fengdu-Shizhu Expressway Construction Project under RBC Chongqing Fengshi Expressway Development Co., Ltd. Highway project were applied in full, and the projects are completed. For details of the benefits for relevant projects, please see Schedule 2 "Comparison of the projects invested with previously raised proceeds-Ordinary A shares".

6. COMPARISON OF THE ACTUAL USE OF THE PREVIOUSLY RAISED PROCEEDS WITH THE RELEVANT CONTENT DISCLOSED IN THE PERIODIC REPORTS OF HE COMPANY

Upon comparison of the actual use of the previously raised proceeds as of 30 September 2017 as disclosed in this report and the relevant content disclosed in the periodic reports of he Company, there is no difference in the disclosure of the previously raised proceeds.

7. CONCLUSION

The Board believes that the Company has applied the previously raised proceeds in accordance with the plan for use of proceeds as disclosed in the prospectus, prospectus for the non-public issuance of preference shares and the announcement in relation to the change in the projects invested with proceeds. The Company has fulfilled its disclosure obligations in relation to the investment and progress of the previously raised proceeds in accordance with the requirements under the Rules Concerning the Report on the Use of Proceeds from Previous Fundraising Activities (Zheng Jian Fa Xing Zi [2007] No. 500) (《關於前次募集資金使用情況報告的規定》(證監發行字[2007]500號)).

All Directors of the Company undertake that there are no misrepresentations, misleading statements or material omissions in this report and they are jointly and severally liable for the authenticity, accuracy and completeness of this report.

Schedule 1: Comparison of the use of the previously raised proceeds – Ordinary A shares

Unit: RMB'0000

Total proceeds raised:	486,403.48	Total proceeds used in aggregate:	487,046.65 (Note 1)
		Total proceeds used during the year:	
		2012:	184,016.84
		2013:	197,130.20
		2014:	91,621.11
		2015:	7,815.10
Total proceeds with change in use:	297,192.48	2016:	3,017.63
		For the nine months ended 30 September 2017:	3,445.77
Proportion of total proceeds with change in use:	61%		

Investment projects			Total investment amount from proceeds raised			Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date")				
No.	Committed investment projects	Actual investment projects	Committed investment amount before the offering	Committed investment amount after the offering	Actual investment amount	Committed investment amount before the offering	Committed investment amount after the offering	Actual investment amount	Difference between actual investment amount and committed investment amount after the offering	Estimate delivery date of projects (or the stage of completion as at the Closing Date)
1	Acquisition of dredging ships	(Note 2)	194,500.00	–	–	194,500.00	–	–	–	Not applicable
2	Guiyang-Weng'an Expressway Project in Guizhou	Guiyang-Weng'an Expressway Project in Guizhou	–	110,000.00	110,000.00	–	110,000.00	110,000.00	–	January 2016
3	Chongqing Yanjiang Expressway (Fengdu-Zhongxian Section) Project	Chongqing Yanjiang Expressway (Fengdu-Zhongxian Section) Project	–	33,000.00	33,324.80	–	33,000.00	33,324.80	324.80 (Note 1)	December 2016

Unit: RMB'0000

Total proceeds raised:	486,403.48	Total proceeds used in aggregate:	487,046.65 (Note 1)
		Total proceeds used during the year:	
		2012:	184,016.84
		2013:	197,130.20
		2014:	91,621.11
		2015:	7,815.10
Total proceeds with change in use:	297,192.48	2016:	3,017.63
		For the nine months ended 30 September 2017:	3,445.77
Proportion of total proceeds with change in use:	61%		

Investment projects			Total investment amount from proceeds raised			Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date")				
No.	Committed investment projects	Actual investment projects	Committed investment amount before the offering	Committed investment amount after the offering	Actual investment amount	Committed investment amount before the offering	Committed investment amount after the offering	Actual investment amount	Difference between actual investment amount and committed investment amount after the offering	Estimate delivery date of projects (or the stage of completion as at the Closing Date)
4	Proceeds used for supplementing working capital	Proceeds used for supplementing working capital	–	46,211.01	46,211.01	–	46,211.01	46,211.01	–	Not applicable
5	Acquisition of engineering ships and mechanical equipment	(Note 2)	111,000.00	–	–	111,000.00	–	–	–	Not applicable
6	Acquisition of 1,600t revolving floating crane	Acquisition of 1,600t revolving floating crane	–	41,800.00	41,828.10	–	41,800.00	41,828.10	28.10 (Note 1)	In operation
7	Acquisition of 1,600t revolving floating crane	Acquisition of 1,600t revolving floating crane	–	32,200.00	32,200.00	–	32,200.00	32,200.00	–	In operation
8	Acquisition of 8 shield machines	Acquisition of 8 shield machines	–	33,981.47	33,981.47	–	33,981.47	33,981.47	–	In operation

Unit: RMB'0000

Total proceeds raised:	486,403.48	Total proceeds used in aggregate:		487,046.65 (Note 1)
		Total proceeds used during the year:		
		2012:		184,016.84
		2013:		197,130.20
		2014:		91,621.11
		2015:		7,815.10
Total proceeds with change in use:	297,192.48	2016:		3,017.63
Proportion of total proceeds with change in use:	61%	For the nine months ended 30 September 2017:		3,445.77

No.	Investment projects: Committed investment projects	Investment projects: Actual investment projects	Total investment amount from proceeds raised: Committed investment amount before the offering	Total investment amount from proceeds raised: Committed investment amount after the offering	Total investment amount from proceeds raised: Actual investment amount	Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date"): Committed investment amount before the offering	Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date"): Committed investment amount after the offering	Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date"): Actual investment amount	Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date"): Difference between actual investment amount and committed investment amount after the offering	Estimate delivery date of projects (or the stage of completion as at the Closing Date)
9	Guangming Expressway Extension Project	Guangming Expressway Extension Project	11,000.00	10,701.00	10,701.00	11,000.00	10,701.00	10,701.00	–	January 2014
10	Xianning-Tongshan Expressway Project	Xianning-Tongshan Expressway Project	22,500.00	21,888.30	21,888.30	22,500.00	21,888.30	21,888.30	–	January 2014
11	Yulin-Jiaxian Expressway Project	Yulin-Jiaxian Expressway Project	36,000.00	35,021.00	35,021.00	36,000.00	35,021.00	35,021.00	–	January 2014
12	Nanjing Weisan Road River Tunnel Construction Project	Nanjing Weisan Road River Tunnel Construction Project	19,500.00	18,969.70	18,977.14	19,500.00	18,969.70	18,977.14	7.44 (Note 1)	January 2016
13	Fuling-Fengdu Expressway Construction Project	Fuling-Fengdu Expressway Construction Project	36,000.00	35,021.00	35,061.70	36,000.00	35,021.00	35,061.70	40.70 (Note 1)	November 2013
14	Fengdu-Shizhu Expressway Construction Project	Fengdu-Shizhu Expressway Construction Project	33,500.00	32,589.00	32,626.91	33,500.00	32,589.00	32,626.91	37.91 (Note 1)	November 2013

Unit: RMB'0000

Total proceeds raised:	486,403.48	Total proceeds used in aggregate:	487,046.65 (Note 1)
		Total proceeds used during the year:	
		2012:	184,016.84
		2013:	197,130.20
		2014:	91,621.11
		2015:	7,815.10
Total proceeds with change in use:	297,192.48	2016:	3,017.63
Proportion of total proceeds with change in use:	61%	For the nine months ended 30 September 2017:	3,445.77

Investment projects			Total investment amount from proceeds raised			Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date")				
No.	**Committed investment projects**	**Actual investment projects**	**Committed investment amount before the offering**	**Committed investment amount after the offering**	**Actual investment amount**	**Committed investment amount before the offering**	**Committed investment amount after the offering**	**Actual investment amount**	**Difference between actual investment amount and committed investment amount after the offering**	**Estimate delivery date of projects (or the stage of completion as at the Closing Date)**
15	Chongqing Three Ring Expressway (Yongchuan-Jiangjin section) Construction Project	Chongqing Three Ring Expressway (Yongchuan-Jiangjin section) Construction Project	36,000.00	35,021.00	35,082.17	36,000.00	35,021.00	35,082.17	61.17 (Note 1)	January 2015
16	Interests generated from the accounts in which the proceeds are deposited served as standing proceeds to supplement working capital	Interests generated from the accounts in which the proceeds are deposited served as standing proceeds to supplement working capital	Not applicable	Not applicable	143.05	Not applicable	Not applicable	143.05	Not applicable	Not applicable
Total			500,000.00	486,403.48	487,046.65	500,000.00	486,403.48	487,046.65	500.12 (Note 1)	

Schedule 1: Comparison of the use of the previously raised proceeds – Non-public issuance of preference shares

Unit: RMB'0000

Total proceeds raised:	1,446,841.74	Total proceeds used in aggregate:	1,402,234.50
		Total proceeds used during the year:	
		2015:	1,245,860.92
Total proceeds with change in use:	Not applicable	2016:	143,279.80
Proportion of total proceeds with change in use:	Not applicable	For the nine months ended 30 September 2017:	13,093.78

Investment projects			Total investment amount from proceeds raised			Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date")				
No.	**Committed investment projects**	**Actual investment projects**	**Committed investment amount before the offering**	**Committed investment amount after the offering**	**Actual investment amount**	**Committed investment amount before the offering**	**Committed investment amount after the offering**	**Actual investment amount**	**Difference between actual investment amount and committed investment amount after the offering**	**Estimate delivery date of projects (or the stage of completion as at the Closing Date)**
1	Dengfeng-Ruzhou section of Jiaozuo-Tongbai Highway in Henan	Dengfeng-Ruzhou section of Jiaozuo-Tongbai Highway in Henan	90,600.00	90,496.76	90,496.76	90,600.00	90,496.76	90,496.76	–	September 2016
2	Kaifeng-Minquan section of Zhengzhou-Minquan Highway in Henan	Kaifeng-Minquan section of Zhengzhou-Minquan Highway in Henan	70,000.00	69,920.24	69,920.24	70,000.00	69,920.24	69,920.24	–	September 2016
3	Phase II Extension Project of Ma Village District in Haikou port, Hainan	Phase II Extension Project of Ma Village District in Haikou port, Hainan	39,900.00	39,855.00	39,855.00	39,900.00	39,855.00	39,855.00	–	June 2017

Unit: RMB'0000

Total proceeds raised:	1,446,841.74	Total proceeds used in aggregate:	1,402,234.50
		Total proceeds used during the year:	
		2015:	1,245,860.92
Total proceeds with change in use:	Not applicable	2016:	143,279.80
Proportion of total proceeds with change in use:	Not applicable	For the nine months ended 30 September 2017:	13,093.78

Investment projects			Total investment amount from proceeds raised			Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date")				
No.	**Committed investment projects**	**Actual investment projects**	**Committed investment amount before the offering**	**Committed investment amount after the offering**	**Actual investment amount**	**Committed investment amount before the offering**	**Committed investment amount after the offering**	**Actual investment amount**	**Difference between actual investment amount and committed investment amount after the offering**	**Estimate delivery date of projects (or the stage of completion as at the Closing Date)**
4	Phase I Starting Construction Project of Automobile Passenger/Cargo roll-on, roll-off terminal of Xinhaigang District in Haikou port, Hainan	Phase I Starting Construction Project of Automobile Passenger/Cargo roll-on, roll-off terminal of Xinhaigang District in Haikou port, Hainan	48,800.00	48,744.00	48,744.00	48,800.00	48,744.00	48,744.00	–	December 2016
5	Reconstruction project of Nanxun-Wuxing Section of National Road 318 in Huzhou	Reconstruction project of Nanxun-Wuxing Section of National Road 318 in Huzhou	165,200.00	165,012.00	121,569.00	165,200.00	165,012.00	121,569.00	(43,443.00) (Note 3)	January 2017
6	Northern Section Project of Provincial Road 270 in Pizhou	Northern Section Project of Provincial Road 270 in Pizhou	76,400.00	76,313.30	76,394.39	76,400.00	76,313.30	76,394.39	81.09 (Note 1)	June 2016

Unit: RMB'0000

Total proceeds raised:	1,446,841.74
Total proceeds with change in use:	Not applicable
Proportion of total proceeds with change in use:	Not applicable
Total proceeds used in aggregate:	1,402,234.50
Total proceeds used during the year:	
2015:	1,245,860.92
2016:	143,279.80
For the nine months ended 30 September 2017:	13,093.78

	Investment projects		Total investment amount from proceeds raised			Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date")				
No.	Committed investment projects	Actual investment projects	Committed investment amount before the offering	Committed investment amount after the offering	Actual investment amount	Committed investment amount before the offering	Committed investment amount after the offering	Actual investment amount	Difference between actual investment amount and committed investment amount after the offering	Estimate delivery date of projects (or the stage of completion as at the Closing Date)
7	Lot HD01 of Dunhua-Fusong Section of Dunhua-Tonghua Highway in Jilin	Lot HD01 of Dunhua-Fusong Section of Dunhua-Tonghua Highway in Jilin	152,000.00	152,000.00	152,000.00	152,000.00	152,000.00	152,000.00	–	Estimated to be December 2017
8	Highway construction project of Xunhua-Longwuxia Section of National Road 310	Highway construction project of Xunhua-Longwuxia Section of National Road 310	58,000.00	57,934.00	57,971.43	58,000.00	57,934.00	57,971.43	37.43 (Note 1)	June 2017
9	Lot CGZQSG-4 of the station project of Leshan-Guiyang Section of Newly-Constructed Chengdu-Guiyang Railway	Lot CGZQSG-4 of the station project of Leshan-Guiyang Section of Newly-Constructed Chengdu-Guiyang Railway	43,500.00	43,450.00	43,450.00	43,500.00	43,450.00	43,450.00	–	Estimated to be December 2017

Unit: RMB'0000

Total proceeds raised:	1,446,841.74	
	Total proceeds used in aggregate:	1,402,234.50
	Total proceeds used during the year:	
	2015:	1,245,860.92
Total proceeds with change in use: Not applicable	2016:	143,279.80
Proportion of total proceeds with change in use: Not applicable	For the nine months ended 30 September 2017:	13,093.78

Investment projects			Total investment amount from proceeds raised			Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date")				
No.	Committed investment projects	Actual investment projects	Committed investment amount before the offering	Committed investment amount after the offering	Actual investment amount	Committed investment amount before the offering	Committed investment amount after the offering	Actual investment amount	Difference between actual investment amount and committed investment amount after the offering	Estimate delivery date of projects (or the stage of completion as at the Closing Date)
10	Lot LYZQ-IV of the station project of Newly-Constructed Lianyungang-Yancheng Railway	Lot LYZQ-IV of the station project of Newly-Constructed Lianyungang-Yancheng Railway	38,900.00	38,855.85	38,866.67	38,900.00	38,855.85	38,866.67	10.82 (Note 1)	Estimated to be December 2017
11	Lot HSHZQ-8 of the station project of newly constructed Huaihua-Shaoyang-Hengyang Railway	Lot HSHZQ-8 of the station project of newly constructed Huaihua-Shaoyang-Hengyang Railway	29,100.00	29,067.00	29,067.00	29,100.00	29,067.00	29,067.00	–	Estimated to be December 2018
12	Lot JSJJSG-6 of the station project of Hebei Section of Newly-Constructed Beijing-Shenyang Passenger Dedicated Railway	Lot JSJJSG-6 of the station project of Hebei Section of Newly-Constructed Beijing-Shenyang Passenger Dedicated Railway	28,200.00	28,167.91	28,167.54	28,200.00	28,167.91	28,167.54	(0.37)	Estimated to be June 2019

Unit: RMB'0000

Total proceeds raised:	1,446,841.74	
Total proceeds used in aggregate:		1,402,234.50
Total proceeds used during the year:		
2015:		1,245,860.92
Total proceeds with change in use:	Not applicable	
2016:		143,279.80
For the nine months ended 30 September 2017:		13,093.78
Proportion of total proceeds with change in use:	Not applicable	

	Investment projects		Total investment amount from proceeds raised			Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date")				
No.	Committed investment projects	Actual investment projects	Committed investment amount before the offering	Committed investment amount after the offering	Actual investment amount	Committed investment amount before the offering	Committed investment amount after the offering	Actual investment amount	Difference between actual investment amount and committed investment amount after the offering	Estimate delivery date of projects (or the stage of completion as at the Closing Date)
13	Lot MPZQ-2 of the station works of capacity expansion project of Miyi-Panzhihua Section of Chengdu-Kunming Railway	Lot MPZQ-2 of the station works of capacity expansion project of Miyi-Panzhihua Section of Chengdu-Kunming Railway	28,100.00	28,068.00	28,068.00	28,100.00	28,068.00	28,068.00	–	Estimated to be December 2019
14	Lot S3 of Humen Second Bridge in Guangdong	Lot S3 of Humen Second Bridge in Guangdong	27,600.00	27,569.00	27,577.10	27,600.00	27,569.00	27,577.10	8.10 (Note 1)	Estimated to be December 2018
15	South breakwater and South bank cofferdam project in Hulushan Bay, Changxing Island, Dalian	South breakwater and South bank cofferdam project in Hulushan Bay, Changxing Island, Dalian	25,400.00	25,371.09	25,350.90	25,400.00	25,371.09	25,350.90	(20.19)	Estimated to be November 2017
16	Shulanghu ore transit terminal project in Zhoushan Port, Ningbo	Shulanghu ore transit terminal project in Zhoushan Port, Ningbo	24,700.00	24,671.97	24,671.97	24,700.00	24,671.97	24,671.97	–	July 2017

Unit: RMB'0000

Total proceeds raised:					1,446,841.74	Total proceeds used in aggregate:			1,402,234.50
						Total proceeds used during the year:			
						2015:			1,245,860.92
Total proceeds with change in use:					Not applicable	2016:			143,279.80
						For the nine months ended 30 September 2017:			13,093.78
Proportion of total proceeds with change in use:					Not applicable				
Investment projects			**Total investment amount from proceeds raised**			**Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date")**			
No.	**Committed investment projects**	**Actual investment projects**	**Committed investment amount before the offering**	**Committed investment amount after the offering**	**Actual investment amount**	**Committed investment amount before the offering**	**Committed investment amount after the offering**	**Actual investment amount**	**Difference between actual investment amount and committed investment amount after the offering**	**Estimate delivery date of projects (or the stage of completion as at the Closing Date)**
17	Berth #2-#7 project of Phase II of container terminal project in Gaolan Zone, Zhuhai Port	Berth #2-#7 project of Phase II of container terminal project in Gaolan Zone, Zhuhai Port	16,700.00	16,681.08	16,681.08	16,700.00	16,681.08	16,681.08	–	Estimated to be August 2018
18	Lot N9A01-8 of civil construction of Wuzhou-Liuzhou Highway project in Guangxi	Lot N9A01-8 of civil construction of Wuzhou-Liuzhou Highway project in Guangxi	13,900.00	13,884.43	13,884.43	13,900.00	13,884.43	13,884.43	–	Estimated to be November 2017

Unit: RMB'0000

Total proceeds raised:				1,446,841.74	Total proceeds used in aggregate:				1,402,234.50
					Total proceeds used during the year:				
					2015:				1,245,860.92
Total proceeds with change in use:				Not applicable	2016:				143,279.80
Proportion of total proceeds with change in use:				Not applicable	For the nine months ended 30 September 2017:				13,093.78
Investment projects		**Total investment amount from proceeds raised**			**Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date")**				
No.	**Committed investment projects**	**Actual investment projects**	**Committed investment amount before the offering**	**Committed investment amount after the offering**	**Actual investment amount**	**Committed investment amount before the offering**	**Committed investment amount after the offering**	**Actual investment amount**	**Difference between actual investment amount and committed investment amount after the offering**	**Estimate delivery date of projects (or the stage of completion as at the Closing Date)**
19	Lot JMZQ-1 of Xintai Tunnel project of Jiangmen-Maoming Section and the station project of Yangxi-Mata Section of newly constructed Shenzhen-Maoming	Lot JMZQ-1 of Xintai Tunnel project of Jiangmen-Maoming Section and the station project of Yangxi-Mata Section of newly constructed Shenzhen-Maoming	13,400.00	13,384.79	13,384.79	13,400.00	13,384.79	13,384.79	–	Estimated to be December 2017
20	Lot N9A01-5 of Civil construction of Wuzhou-Liuzhou Highway project in Guangxi	Lot N9A01-5 of Civil construction of Wuzhou-Liuzhou Highway project in Guangxi	13,000.00	12,985.00	12,747.90	13,000.00	12,985.00	12,747.90	(237.10)	July 2017
21	Lot A2 of Dongtinghu Bridge of Dayue Highway Project in Hunan	Lot A2 of Dongtinghu Bridge of Dayue Highway Project in Hunan	12,900.00	12,885.00	12,885.00	12,900.00	12,885.00	12,885.00	–	Estimated to be December 2019

Unit: RMB'0000

Total proceeds raised:	1,446,841.74
Total proceeds with change in use:	Not applicable
Proportion of total proceeds with change in use:	Not applicable
Total proceeds used in aggregate:	1,402,234.50
Total proceeds used during the year:	
2015:	1,245,860.92
2016:	143,279.80
For the nine months ended 30 September 2017:	13,093.78

	Investment projects		Total investment amount from proceeds raised			Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date")				
No.	**Committed investment projects**	**Actual investment projects**	**Committed investment amount before the offering**	**Committed investment amount after the offering**	**Actual investment amount**	**Committed investment amount before the offering**	**Committed investment amount after the offering**	**Actual investment amount**	**Difference between actual investment amount and committed investment amount after the offering**	**Estimate delivery date of projects (or the stage of completion as at the Closing Date)**
22	Lot EHSG-3 of newly constructed Ejina-Hami Railway	Lot EHSG-3 of newly constructed Ejina-Hami Railway	11,700.00	11,687.00	11,687.00	11,700.00	11,687.00	11,687.00	–	July 2017
23	Lot S2 of Humen Second Bridge in Guangdong	Lot S2 of Humen Second Bridge in Guangdong	10,600.00	10,588.00	10,607.72	10,600.00	10,588.00	10,607.72	19.72 (Note 1)	Estimated to be June 2018
24	Lot DZL-SG2 of east breakwater project with vertical structure in Gangxuwei zone, Lianyungang Port	Lot DZL-SG2 of east breakwater project with vertical structure in Gangxuwei zone, Lianyungang Port	10,500.00	10,488.08	10,488.08	10,500.00	10,488.08	10,488.08	–	December 2016
25	Specialized wharf project of Chemical Industry Park in Hexi Operating Area, Nanchong Port	Specialized wharf project of Chemical Industry Park in Hexi Operating Area, Nanchong Port	9,800.00	9,789.00	9,789.00	9,800.00	9,789.00	9,789.00	–	December 2016

Unit: RMB'0000

Total proceeds raised:	1,446,841.74	Total proceeds used in aggregate:	1,402,234.50
		Total proceeds used during the year:	
		2015:	1,245,860.92
Total proceeds with change in use:	Not applicable	2016:	143,279.80
Proportion of total proceeds with change in use:	Not applicable	For the nine months ended 30 September 2017:	13,093.78

	Investment projects		Total investment amount from proceeds raised			Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date")				
No.	Committed investment projects	Actual investment projects	Committed investment amount before the offering	Committed investment amount after the offering	Actual investment amount	Committed investment amount before the offering	Committed investment amount after the offering	Actual investment amount	Difference between actual investment amount and committed investment amount after the offering	Estimate delivery date of projects (or the stage of completion as at the Closing Date)
26	Embankment, roads and yards project for berth #5 and #6 of container terminal project of western operating area in Yantian Zone, Shenzhen Port	Embankment, roads and yards project for berth #5 and #6 of container terminal project of western operating area in Yantian Zone, Shenzhen Port	8,900.00	8,889.94	8,889.94	8,900.00	8,889.94	8,889.94	–	May 2017
27	Lot No. 3 of Civil construction of Sangzhi-Zhangjiajie Highway project in Hunan	Lot No. 3 of Civil construction of Sangzhi-Zhangjiajie Highway project in Hunan	8,600.00	8,590.00	8,590.00	8,600.00	8,590.00	8,590.00	–	December 2018
28	Lot TJ10 of Hexi-Liuhedu Section of Daozhen-Xinzhai Highway project in Guizhou	Lot TJ10 of Hexi-Liuhedu Section of Daozhen-Xinzhai Highway project in Guizhou	6,300.00	6,292.94	6,292.94	6,300.00	6,292.94	6,292.94	–	January 2016
29	Jinhui Building in Beijing	Jinhui Building in Beijing	4,800.00	4,794.62	4,794.62	4,800.00	4,794.62	4,794.62	–	June 2017

Unit: RMB'0000

Total proceeds raised:	1,446,841.74	Total proceeds used in aggregate:	1,402,234.50
		Total proceeds used during the year:	
		2015:	1,245,860.92
Total proceeds with change in use:	Not applicable	2016:	143,279.80
		For the nine months ended 30 September 2017:	
Proportion of total proceeds with change in use:	Not applicable		13,093.78

Investment projects			Total investment amount from proceeds raised			Accumulated investment amount from proceeds as of 30 September 2017 (the "Closing Date")				
No.	**Committed investment projects**	**Actual investment projects**	**Committed investment amount before the offering**	**Committed investment amount after the offering**	**Actual investment amount**	**Committed investment amount before the offering**	**Committed investment amount after the offering**	**Actual investment amount**	**Difference between actual investment amount and committed investment amount after the offering**	**Estimate delivery date of projects (or the stage of completion as at the Closing Date)**
30	Supplementing the general working capital	Supplementing working capital	362,500.00	359,342.00	359,342.00	362,500.00	359,342.00	359,342.00	–	
Total			1,450,000.00	1,445,778.00	1,402,234.50	1,450,000.00	1,445,778.00	1,402,234.50	(43,543.50)	

Note 1: The difference between actual proceeds invested and amount to be invested comes from interests generated from the accounts for previously raised proceeds.

Note 2: Changes in investment projects are detailed in the 2(2) Change in the projects actually invested with previously raised proceeds in this report.

Note 3: As at 30 September 2017, the project has reached the scheduled completion. The remaining proceeds will be used for the subsequent payment of the outstanding balance of the projects, such as the construction and installation of the project and acquisition of equipment in accordance with normal payment arrangement.

Schedule 2: Comparison of the projects invested with previously raised proceeds – Ordinary A shares

Unit: RMB'0000

Actual investment projects		The cumulative utilization rate of investment projects as of the Closing Date	Committed benefits	Actual benefits for the last three years				Accumulated benefits as of the Closing Date	Whether the estimate benefits are achieved
No.	Project name			2014	2015	2016	For the nine months ended 30 September 2017		
1	Acquisition of dredging ships	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
2	Guiyang-Weng'an Expressway Project in Guizhou	Not applicable	Internal rate of return 13.34%	–	–	23,032.00	29,568.00	52,600.00	Note 1
3	Chongqing Yanjiang Expressway (Fengdu-Zhongxian Section) Project	Not applicable	Internal rate of return 11.90%	–	–	–	2,310.00	2,310.00	Note 1
4	Proceeds used for supplementing working capital	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Note 4
5	Acquisition of engineering ships and mechanical equipment	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
6	Acquisition of 1,600t revolving floating crane	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Note 4
7	Acquisition of 1,600t revolving floating crane	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Note 4
8	Acquisition of 8 shield machines	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Note 4
9	Guangming Expressway Extension Project	Not applicable	Internal rate of return 10.17%	1,067.00	20,469.00	26,582.00	31,968.00	80,086.00	Note 1
10	Xianning-Tongshan Expressway Project	Not applicable	Internal rate of return 11.64%	3,688.00	6,055.00	7,210.00	5,353.00	22,306.00	Note 1

Unit: RMB'0000

Actual investment projects		The cumulative utilization rate of investment projects as of the Closing Date	Committed benefits	Actual benefits for the last three years				Accumulated benefits as of the Closing Date	Whether the estimate benefits are achieved
No.	Project name			2014	2015	2016	For the nine months ended 30 September 2017		
11	Yulin-Jiaxian Expressway Project	Not applicable	Internal rate of return 10.58%	7,855.00	14,240.00	19,377.00	17,290.00	58,762.00	Note 1
12	Nanjing Weisan Road River Tunnel Construction Project	Not applicable	Internal rate of return 11.00%	–	–	The project has entered into operating period, during which the operation is free of charge. The project received government subsidies of RMB298.45 million in 2016	The project has entered into operating period, during which the operation is free of charge. The project received government subsidies of RMB195.66 million for January to September 2017	The project has entered into operating period, during which the operation is free of charge. The project received government subsidies of RMB494.11 million as of 30 September 2017	Note 2
13	Fuling-Fengdu Expressway Construction Project	Not applicable	Internal rate of return 9.20%	12,522.00	19,204.00	19,906.00	13,695.00	67,801.00	Note 1
14	Fengdu-Shizhu Expressway Construction Project	Not applicable	Internal rate of return 9.20%	7,357.00	11,191.00	11,608.00	6,268.00	37,332.00	Note 1

Unit: RMB'0000

No.	Actual investment projects: Project name	The cumulative utilization rate of investment projects as of the Closing Date	Committed benefits	Actual benefits for the last three years: 2014	2015	2016	For the nine months ended 30 September 2017	Accumulated benefits as of the Closing Date	Whether the estimate benefits are achieved
15	Chongqing Three Ring Expressway (Yongchuan-Jiangjin section) Construction Project	Not applicable	Internal rate of return 10.29%	–	3,261.00	5,153.00	4,588.00	13,002.00	Note 1
16	Interests generated from the accounts in which the proceeds are deposited served as Standing proceeds to supplement working capital	Not applicable	Uncommitted	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Note 4
Total				32,489.00	74,420.00	142,713.00	130,606.00	383,610.00	

Schedule 2: Comparison of the projects invested with previously raised proceeds – Non-public issuance of preference shares

Unit: RMB'0000

No.	Actual investment projects: Project name	The cumulative utilization rate of investment projects as of the Closing Date	Committed benefits	Actual benefits for the last three years (Note 3): 2014	2015	2016	For the nine months ended 30 September 2017	Accumulated benefits as of the Closing Date	Whether the estimate benefits are achieved
1	Dengfeng-Ruzhou section of Jiaozuo-Tongbai Highway in Henan	Not applicable	Uncommitted	–	–	–	9,521.47	9,521.47	Not applicable

Unit: RMB'0000

Actual investment projects		The cumulative utilization rate of investment projects as of the Closing Date	Committed benefits	Actual benefits for the last three years (Note 3)				Accumulated benefits as of the Closing Date	Whether the estimate benefits are achieved
No.	Project name			2014	2015	2016	For the nine months ended 30 September 2017		
2	Kaifeng-Minquan section of Zhengzhou-Minquan Highway in Henan	Not applicable	Uncommitted	–	–	–	43.31	43.31	Not applicable
3	Phase II Extension Project of Ma Village District in Haikou port, Hainan	Not applicable	Uncommitted	–	–	1,200.55	99.87	1,300.42	Not applicable
4	Phase I Starting Construction Project of Automobile Passenger/Cargo roll-on, roll-off terminal of Xinhaigang District in Haikou port, Hainan	Not applicable	Uncommitted	–	–	2,635.10	1,832.11	4,467.21	Not applicable
5	Reconstruction project of Nanxun-Wuxing Section of National Road 318 in Huzhou	Not applicable	Uncommitted	–	5,777.22	3,048.87	2,809.97	11,636.06	Not applicable
6	Northern Section Project of Provincial Road 270 in Pizhou	Not applicable	Uncommitted	–	23,095.04	3,027.51	2,058.17	28,180.72	Not applicable
7	Lot HD01 of Dunhua-Fusong Section of Dunhua-Tonghua Highway in Jilin	Not applicable	Not applicable	–	366,981.00	194,374.80	2,651.82	564,007.62	Not applicable
8	Highway construction project of Xunhua-Longwuxia Section of National Road 310	Not applicable	Not applicable	–	118,521.60	114,062.15	84,749.93	317,333.68	Not applicable
9	Lot CGZQSG-4 of the station project of Leshan-Guiyang Section of Newly-Constructed Chengdu-Guiyang Railway	Not applicable	Not applicable	–	2,462.53	149,828.59	7,958.46	160,249.58	Not applicable

Unit: RMB'0000

Actual investment projects		The cumulative utilization rate of investment projects as of the Closing Date	Committed benefits	Actual benefits for the last three years (Note 3)				Accumulated benefits as of the Closing Date	Whether the estimate benefits are achieved
No.	Project name			2014	2015	2016	For the nine months ended 30 September 2017		
10	Lot LYZQ-IV of the station project of Newly-Constructed Lianyungang-Yancheng Railway	Not applicable	Not applicable	–	3,353.57	16,215.25	5,335.15	24,903.97	Not applicable
11	Lot HSHZQ-8 of the station project of newly constructed Huaihua-Shaoyang-Hengyang Railway	Not applicable	Not applicable	–	48,524.00	97,547.08	34,242.10	180,313.18	Not applicable
12	Lot JSJJSG-6 of the station project of Hebei Section of Newly-Constructed Beijing-Shenyang Passenger Dedicated Railway	Not applicable	Not applicable	–	27,584.30	69,869.52	20,564.13	118,017.95	Not applicable
13	Lot MPZQ-2 of the station works of capacity expansion project of Miyi-Panzhihua Section of Chengdu-Kunming Railway	Not applicable	Not applicable	–	63,540.90	44,189.03	21,049.89	128,779.82	Not applicable
14	Lot S3 of Humen Second Bridge in Guangdong	Not applicable	Not applicable	–	962.04	31,257.35	28,499.11	60,718.50	Not applicable
15	South breakwater and South bank cofferdam project in Hulushan Bay, Changxing Island, Dalian	Not applicable	Not applicable	–	23,793.60	5,575.63	1,878.49	31,247.72	Not applicable
16	Shulanghu ore transit terminal project in Zhoushan Port, Ningbo	Not applicable	Not applicable	–	1,479.83	30,163.45	4,472.42	36,115.70	Not applicable

Unit: RMB'0000

Actual investment projects		The cumulative utilization rate of investment projects as of the Closing Date	Committed benefits	Actual benefits for the last three years (Note 3)				Accumulated benefits as of the Closing Date	Whether the estimate benefits are achieved
No.	Project name			2014	2015	2016	For the nine months ended 30 September 2017		
17	Berth #2-#7 project of Phase II of container terminal project in Gaolan Zone, Zhuhai Port	Not applicable	Not applicable	–	1,119.42	31,258.44	2,889.59	35,267.45	Not applicable
18	Lot N9A01-8 of civil construction of Wuzhou-Liuzhou Highway project in Guangxi	Not applicable	Not applicable	–	22,576.29	45,571.56	6,561.69	74,709.54	Not applicable
19	Lot JMZQ-1 of Xintai Tunnel project of Jiangmen-Maoming Section and the station project of Yangxi-Mata Section of newly constructed Shenzhen-Maoming	Not applicable	Not applicable	–	291.78	17,254.89	3,972.99	21,519.66	Not applicable
20	Lot N9A01-5 of Civil construction of Wuzhou-Liuzhou Highway project in Guangxi	Not applicable	Not applicable	–	19,995.00	36,514.77	6,526.96	63,036.73	Not applicable
21	Lot A2 of Dongtinghu Bridge of Dayue Highway Project in Hunan	Not applicable	Not applicable	–	24,277.00	14,488.15	8,537.41	47,302.56	Not applicable
22	Lot EHSG-3 of newly constructed Ejina-Hami Railway	Not applicable	Not applicable	–	35,936.00	6,989.64	–	42,925.64	Not applicable
23	Lot S2 of Humen Second Bridge in Guangdong	Not applicable	Not applicable	–	22,398.00	10,315.52	6,576.39	39,289.91	Not applicable

Unit: RMB'0000

Actual investment projects		The cumulative utilization rate of investment projects as of the Closing Date	Committed benefits	Actual benefits for the last three years (Note 3)				Accumulated benefits as of the Closing Date	Whether the estimate benefits are achieved
No.	Project name			2014	2015	2016	For the nine months ended 30 September 2017		
24	Lot DZL-SG2 of east breakwater project with vertical structure in Gangxuwei zone, Lianyungang Port	Not applicable	Not applicable	–	–	2,473.05	–	2,473.05	Not applicable
25	Specialized wharf project of Chemical Industry Park in Hexi Operating Area, Nanchong Port	Not applicable	Not applicable	–	1,627.75	–	–	1,627.75	Not applicable
26	Embankment, roads and yards project for berth #5 and #6 of container terminal project of western operating area in Yantian Zone, Shenzhen Port	Not applicable	Not applicable	–	502.42	4,805.01	4,601.51	9,908.94	Not applicable
27	Lot No.3 of Civil construction of Sangzhi-Zhangjiajie Highway project in Hunan	Not applicable	Not applicable	–	17,848.00	15,661.09	10,305.32	43,814.41	Not applicable
28	Lot TJ10 of Hexi-Liuhedu Section of Daozhen-Xinzhai Highway project in Guizhou	Not applicable	Not applicable	–	27,627.20	3,320.48	250.02	31,197.70	Not applicable

Unit: RMB'0000

Actual investment projects				Actual benefits for the last three years (Note 3)					
No.	**Project name**	**The cumulative utilization rate of investment projects as of the Closing Date**	**Committed benefits**	**2014**	**2015**	**2016**	**For the nine months ended 30 September 2017**	**Accumulated benefits as of the Closing Date**	**Whether the estimate benefits are achieved**
29	Jinhui Building in Beijing	Not applicable	Not applicable	–	14,956.01	9,816.47	2,211.75	26,984.23	Not applicable
30	Supplementing the general working capital	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Note 4
Total				–	875,230.50	961,463.95	280,200.03	2,116,894.48	

Note 1: These projects are BOT ("Build-Operate-Transfer") projects and usually have a long operating period. The committed rate of return of a project is calculated by the Company according to the respective cash inflows in the future operating periods of the project. These projects are still in the preliminary stage of operation, so the Company is unable to calculate the internal rate of return as at the date of the report. The actual benefits for the last three years are operating income.

Note 2: As approved by the relevant government, the project has been changed from a toll road project into a toll free project. The government will give financial subsidies in a regular manner. Accordingly, the project is not applicable for the assessment on whether the estimate benefits are achieved or not.

Note 3: Among the projects to be invested with the proceeds from the non-public issuance of preference shares, project 1 to project 6 are BT ("Build-Transfer") projects, where the actual benefits for the last three years are interest income from repurchase; project 7 to project 29 are projects with construction contracts, where the actual benefits for the last three years are income from construction projects.

Note 4: The benefits of the proceeds used for supplementing working capital and interests generated from the accounts in which the proceeds are deposited served as standing proceeds to supplement working capital of the projects invested with proceeds from the issuance of ordinary A shares cannot be calculated on an individual basis. The proceeds can reduce the gearing ratio of the Company and relieve the capital pressure of the Company. The benefits of the acquisition of 1,600t revolving floating crane (1),1,600t revolving floating crane (2) and 8 shield machines also cannot be calculated on an individual basis. Upon the acquisition of the equipment, the Company can enhance the productivity and market competitiveness. The benefits of supplementing the general working capital of the projects invested with proceeds from the non-public issuance of preference shares cannot be calculated on an individual basis. The proceeds can improve the financial structure and risk resistance of the Company so as to support further business growth and consolidate the market position of the Company.

Schedule 3: Investment in advance to the projects to be invested with the proceeds from the issuance of preference shares by self-raised funds

Unit: RMB'0000

No.	Project name	Amount of investment in advance with self-raised funds	Amount for replacement
(I)	**Infrastructure investments**		
1	Dengfeng-Ruzhou section of Jiaozuo-Tongbai Highway in Henan	90,600.00	90,600.00
2	Kaifeng-Minquan section of Zhengzhou-Minquan Highway in Henan	70,000.00	70,000.00
3	Phase II Extension Project of Ma Village District in Haikou port, Hainan	13,184.10	13,184.10
4	Phase I Starting Construction Project of Automobile Passenger/Cargo roll-on, roll-off terminal of Xinhaigang District in Haikou port, Hainan	42,304.90	42,304.90
5	Reconstruction project of Nanxun-Wuxing Section of National Road 318 in Huzhou	54,800.70	54,800.70
6	Northern Section Project of Provincial Road 270 in Pizhou	18,377.00	18,377.00
(II)	**Supplementing the working capital for significant engineering contracting projects**		
1	Lot HD01 of Dunhua-Fusong Section of Dunhua-Tonghua Highway in Jilin	152,000.00	152,000.00
2	Highway construction project of Xunhua-Longwuxia Section of National Road 310	24,100.00	24,100.00
3	Lot CGZQSG-4 of the station project of Leshan-Guiyang Section of Newly-Constructed Chengdu-Guiyang Railway	43,500.00	43,500.00
4	Lot LYZQ-IV of the station project of Newly-Constructed Lianyungang-Yancheng Railway	29,294.10	29,294.10
5	Lot HSHZQ-8 of the station project of newly constructed Huaihua-Shaoyang-Hengyang Railway	29,100.00	29,100.00
6	Lot JSJJSG-6 of the station project of Hebei Section of Newly-Constructed Beijing-Shenyang Passenger Dedicated Railway	25,138.20	25,138.20
7	Lot MPZQ-2 of the station works of capacity expansion project of Miyi-Panzhihua Section of Chengdu-Kunming Railway	28,100.00	28,100.00

Unit: RMB'0000

No.	Project name	Amount of investment in advance with self-raised funds	Amount for replacement
8	Lot S3 of Humen Second Bridge in Guangdong	23,477.10	23,477.10
9	South breakwater and South bank cofferdam project in Hulushan Bay, Changxing Island, Dalian	17,190.00	17,190.00
10	Shulanghu ore transit terminal project in Zhoushan Port, Ningbo	24,700.00	24,700.00
11	Berth #2-#7 project of Phase II of container terminal project in Gaolan Zone, Zhuhai Port	16,700.00	16,700.00
12	Lot N2A01-8 of civil construction of Wuzhou-Liuzhou Highway project in Guangxi	12,893.90	12,893.90
13	Lot JMZQ-1 of Xintai Tunnel project of Jiangmen-Maoming Section and the station project of Yangxi-Mata Section of newly constructed Shenzhen-Maoming	13,400.00	13,400.00
14	Lot NgAoi-5 of Civil construction of Wuzhou-Liuzhou Highway project in Guangxi	12,747.90	12,747.90
15	Lot A2 of Dongtinghu Bridge of Dayue Highway Project in Hunan	12,900.00	12,900.00
16	Lot EHSG-3 of newly constructed Ejina-Hami Railway	11,700.00	11,700.00
17	Lot S2 of Humen Second Bridge in Guangdong	8,058.50	8,058.50
18	Lot DZL-SG2 of east breakwater project with vertical structure in Gangxuwei zone, Lianyungang Port	10,500.00	10,500.00
19	Specialized wharf project of Chemical Industry Park in Hexi Operating Area, Nanchong Port	9,800.00	9,800.00
20	Embankment, roads and yards project for berth #5 and #6 of container terminal project of western operating area in Yantian Zone, Shenzhen Port	8,900.00	8,900.00
21	Lot No.3 of Civil construction of Sangzhi-Zhangjiajie Highway project in Hunan	8,600.00	8,600.00
22	Lot TJ10 of Hexi-Liuhedu Section of Daozhen-Xinzhai Highway project in Guizhou	6,300.00	6,300.00
23	Jinhui Building in Beijing	4,800.00	4,800.00
(III)	**Supplementing the general working capital**		
	Total	823,166.40	823,166.40

A specific self-inspection has been conducted by the Company with respect to whether there is violation of laws and regulations such as land idling, land speculation, hoarding properties, driving up property prices by price rigging relating to the domestic commodity housing development projects of the Company and its subsidiaries within the scope of consolidation during the reporting period, or whether the Company or its subsidiaries are subject to administrative penalty or ongoing investigation due to such violation of laws and regulations, and the Specific Self-Inspection Report on the Real Estate Business of China Communications Construction Company Limited has been issued based on the results of such self-inspection (the "**Self-Inspection Report**"). The Company has conducted the above self-inspection pursuant to the following laws and regulations:

1. Land Administration Law of the People's Republic of China (Order of the President of the People's Republic of China No. 28) (《中華人民共和國土地管理法》(中華人民共和國主席令第28號));

2. Urban Real Estate Administration Law of the People's Republic of China (Order of the President of the People's Republic of China No. 72) (《中華人民共和國城市房地產管理法》(中華人民共和國主席令第72號)) (the "**Real Estate Administration Law**");

3. Provisions on the Assignment of State-owned Construction Land Use Right through Bid Invitation, Auction and Quotation (Order of the Ministry of Land and Resources No. 39) (《招標拍賣掛牌出讓國有建設用地使用權規定》(國土資源部令第39號));

4. Notice of the State Council on Promoting the Land Saving and Intensive Use (Guo Fa [2008] No. 3) (《國務院關於促進節約集約用地的通知》(國發[2008]3號)) (the "**Guo Fa [2008] No. 3 Document**");

5. Notice of the Ministry of Land and Resources on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (Guo Tu Zi Fa [2009] No. 106) (《國土資源部關於嚴格建設用地管理促進批而未用土地利用的通知》(國土資發[2009]106號));

6. Notice of the Ministry of Land and Resources and Ministry of Housing and Urban-Rural Development on Further Strengthening the Administration and Control of Real Estate Land and Construction (Guo Tu Zi Fa [2010] No. 151) (《國土資源部、住房和城鄉建設部關於進一步加強房地產用地和建設管理調控的通知》(國土資發[2010]151號));

7. Opinions of the Ministry of Land and Resources on Vigorously Promoting the System of the Land Saving and Intensive Use (Guo Tu Zi Fa [2012] No. 47) (《國土資源部關於大力推進節約集約用地制度建設的意見》(國土資發[2012]47號));

8. Measures on Disposal of Idle Land (Order of the Ministry of Land and Resources No. 53) (《閒置土地處置辦法》(國土資源部令第53號));

9. Notice of the Ministry of Land and Resources on Strictly Implementing Land Use Standards and Vigorously Promoting the Land Saving and Intensive Use (Guo Tu Zi Fa [2010] No. 132) (《國土資源部關於嚴格執行土地使用標準大力促進節約集約用地的通知》(國土資發[2012]132號));

10. Regulatory Measures on the Sale of Commodity Housing (Order of the Ministry of Construction No. 88) (《商品房銷售管理辦法》(建設部令第88號));

11. Regulatory Measures on Advance Sale of Commodity Housing in Urban Areas (Order of the Ministry of Construction No. 131) (《城市商品房預售管理辦法》(建設部令第131號));

12. Several Opinions of the General Office of the State Council on Promoting the Healthy Development of the Real Estate Market (Guo Ban Fa [2008] No. 131) (《國務院辦公廳關於促進房地產市場健康發展的若干意見》(國辦發[2008]131號));

13. Notice of the General Office of the State Council on Promoting the Stable and Healthy Development of the Real Estate Market (Guo Ban Fa [2010] No. 4) (《國務院辦公廳關於促進房地產市場平穩健康發展的通知》(國辦發[2010]4號));

14. Notice of the Ministry of Housing and Urban-Rural Development on Issues regarding Further Strengthening the Regulation of the Real Estate Market and Improving the Commodity Housing Pre-sale System (Jian Fang [2010] No. 53) (《住房和城鄉建設部關於進一步加強房地產市場監管完善商品住房預售制度有關問題的通知》(建房[2010]53號)) (the "**Jian Fang [2010] No. 53 Document**");

15. Notice of the State Council on Resolutely Curbing the Soaring of Housing Prices in Some Cities (Guo Fa [2010] No. 10) (《國務院關於堅決遏制部分城市房價過快上漲的通知》(國發[2010]10號)) (the "**Guo Fa [2010] No. 10 Document**");

16. Notice of the General Office of the State Council on Issues regarding Further Improving Regulation of the Real Estate Market (Guo Ban Fa [2011] No. 1) (《國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知》(國辦發[2011]1號)) (the "**Guo Ban Fa [2011] No. 1 Document**");

17. Notice of the General Office of the State Council on Further Improving Regulation of the Real Estate Market (Guo Ban Fa [2013] No. 17) (《國務院辦公廳關於繼續做好房地產市場調控工作的通知》(國辦發[2013]17號)) (the "**Guo Ban Fa [2013] No. 17 Document**"); and

18. Adjustment to the Regulatory Policy by the China Securities Regulatory Commission on Refinancing, Mergers, Acquisitions and Reorganizations Involving Real Estate Businesses of Listed Companies (《證監會調整上市公司再融資、併購重組涉及房地產業務監管政策》) (the "**Regulatory Policy**").

I. SCOPE OF SELF-INSPECTION

Pursuant to the laws, regulations and the real estate regulation policy of the State Council, the scope of the self-inspection on commodity housing development projects covers the commodity housing development projects which had land assignment contracts signed but had not obtained construction permits ("**projects under planning**"), the commodity housing development projects which had obtained construction permits and are under construction but had not been fully completed for acceptance ("**projects under construction**") and the commodity housing development projects which had been fully completed for acceptance ("**completed projects**") during the reporting period of the Company and its wholly-owned and controlled subsidiaries which were engaged in commodity housing development projects in China within the scope of consolidation of the Company (the "**project companies**") as at the end of 2014, 2015, 2016 and January to September 2017 (the "**reporting period**"). Upon the self-inspection of the Company, the Company and project companies engaged in a total of 31 commodity housing development projects ("**self-inspected real estate projects**") comprising 7 projects under planning, 20 projects under construction and 4 completed projects during the reporting period. Details of which are as follows:

No.	Project name	Project type	Project company	Location
1	China Communications City (B Zone) (華中中交城(B區))	Project under planning	CCCC Second Harbor Engineering Bureau Wuhan Property Co., Ltd. (中交二航局武漢置業有限責任公司)	Wuhan
2	Shanshui Mingcheng (山水名城)	Project under planning	Weng'an CCCC Second Highway Engineering Bureau Property Co., Ltd. (甕安中交二公局置業有限公司)	Qiannan
3	Longhai Mingdu (龍海名都)	Project under planning	CCCC Fourth Harbor Engineering Bureau Third Engineering Co., Ltd. (中交四航局第三工程有限公司)	Zhanjiang
4	CCCC Huitong Center South Plot Project (中交匯通中心南地塊項目)	Project under planning	Guangzhou CCCC Nansha Property Co., Ltd. (廣州中交南沙置業有限公司)	Guangzhou
5	Qinhuangdao Project (秦皇島項目)	Project under planning	Qinhuangdao CCCC Real Estate Development Co., Ltd. (秦皇島中交房地產開發有限公司)	Qinhuangdao
6	Ziyang Club Project (資陽會館項目)	Project under planning	CCCC (Ziyang) Investment Construction Co., Ltd. (中交(資陽)投資建設有限公司)	Ziyang
7	Ziyang River Archaic Commercial Street Project (資陽河仿古商業街項目)	Project under planning	Ziyang Jinwan Property Co., Ltd. (資陽錦灣置業有限公司)	Ziyang

No.	Project name	Project type	Project company	Location
8	Xiangyi Garden (香邑花苑)	Project under construction	CCCC First Harbor Engineering Bureau Real Estate Development Co., Ltd. (中交一航局房地產開發有限公司)	Tianjin
9	China Communications City (A Zone) (華中中交城(A區))	Project under construction	CCCC Huazhong Wuhan Property Development Co., Ltd. (中交華中武漢置業發展有限公司)	Wuhan
10	CCCC • Kangqiao (中交 • 康橋)	Project under construction	CCCC Second Harbor Engineering Bureau Chongqing Real Estate Development Co., Ltd. (中交二航局重慶房地產發展有限公司)	Chongqing
11	Shenlan Baodi (申藍寶邸)	Project under construction	Zhanjiang Baohang Property Co., Ltd. (湛江寶航置業有限公司)	Zhanjiang
12	Window of Canton (the southern headquarters of CCCG)	Project under construction	CCCC Fourth Harbor Engineering Co., Ltd.	Guangzhou
13	CCCC Yayuan Project (中交雅苑項目)	Project under construction	CCCC Dahua (Hunan) Real Estate Development Co., Ltd. (中交達華(湖南)房地產開發有限公司)	Changsha
14	CCCC Binjiang International Project (Phases I, II and III) (中交濱江國際項目(一期、二期、三期))	Project under construction	Hanzhong CCCC Investment Co., Ltd. (漢中中交投資有限公司)	Hanzhong
15	CCCC Xiangbin International Garden (Phases I, II and III) (中交香濱國際花園(一期、二期、三期))	Project under construction	Huai'an CCCC Shengye Real Estate Development Co., Ltd. (淮安中交盛業房地產開發有限公司)	Huai'an
16	CCCC Green City • Gaofu Town (中交綠城 • 高福小鎮)	Project under construction	Hainan Island Sanya Sunrise Tourism Co., Ltd. (海南島三亞日出觀光有限公司)	Sanya
17	Sanya International Tourism Management College (Phase I) (三亞國際旅遊管理職業學院(一期))	Project under construction	Sanya CCCC Hanxing Investment Co., Ltd. (三亞中交瀚星投資有限公司)	Sanya
18	CCCC • Haitang Luhu (Phase I) (中交 • 海棠麓湖(一期))	Project under construction	Sanya CCCC Hanxing Investment Co., Ltd. (三亞中交瀚星投資有限公司)	Sanya
19	CCCC Huitong Hengqin Plaza (中交匯通橫琴廣場)	Project under construction	CCCC Southern Investment Development Co., Ltd. (中交南方投資發展有限公司)	Zhuhai

No.	Project name	Project type	Project company	Location
20	Guangzhou Nansha International Cruise Home Port Complex (廣州南沙國際郵輪母港綜合體)	Project under construction	Guangzhou CCCC Cruise Home Port Investment Development Co., Ltd. (廣州中交郵輪母港投資發展有限公司)	Guangzhou
21	CCCC Huitong Center North Plot (中交匯通中心北地塊)	Project under construction	Guangdong CCCC Urban Investment Development Co., Ltd. (廣東中交城市投資發展有限公司)	Guangzhou
22	Jintian New Town Project (錦天新城項目)	Project under construction	Chengdu Heng'an Property Co., Ltd. (成都恒安置業有限公司)	Chengdu
23	CCCC Jinyue (中交錦悦)	Project under construction	Chongqing CCCC Property Co., Ltd. (重慶中交置業有限公司)	Chongqing
24	2012JP03 Plot (CCCC • Hemei New City) (中交 • 和美新城)	Project under construction	CCCC (Xiamen) Investment Co., Ltd. (中交(廈門)投資有限公司)	Xiamen
25	Nanjing NO.2014G31 Plot Project (Jinlanhui Project) (錦蘭薈項目)	Project under construction	Nanjing CCCC Property Co., Ltd. (南京中交置業有限公司)	Nanjing
26	CCCC Jinzhi Project (中交錦致項目)	Project under construction	Nanjing CCCC Wanzheng Property Co., Ltd. (南京中交萬正置業有限公司)	Nanjing
27	Jinting • Xin Street Project (錦亭 • 心街項目)	Project under construction	Ziyang Jinting Property Co., Ltd. (資陽錦亭置業有限公司)	Ziyang
28	Qihang Jaiyuan (啟航嘉園)	Completed project	Dazhenghua (Tianjin) Harbor Construction Development Co., Ltd. (大振華(天津)海灣工程開發有限公司)	Tianjin
29	CCCC Harbor Building (中交港灣大廈)	Completed project	CCCC Fourth Harbor Engineering Bureau Second Engineering Co., Ltd. (中交四航局第二工程有限公司)	Guangzhou
30	Wolong Xuan (臥龍軒)	Completed project	CCCC Fourth Harbor Engineering Bureau Third Engineering Co., Ltd. (中交四航局第三工程有限公司)	Zhanjiang
31	CCCC Jinwan Project Phases I to V (中交錦灣項目一至五期)	Completed project	CCCC Yangming (Ziyang) Property Co., Ltd. (中交陽明(資陽)置業有限公司)	Ziyang

II. SPECIFIC SELF-INSPECTION ON LAND IDLING

1. Basis of Self-Inspection

(1) Real Estate Administration Law

Article 26 of the Real Estate Administration Law stipulates that: "for real estate development with land use right obtained through land use right transfer, a real estate development enterprise shall develop the land in accordance with the land use purpose and the construction start date agreed in a land use right transfer contract. In case the construction and development has not yet started on expiry of one year after the construction start date that is agreed in the transfer contract, an idle land fee equivalent to less than 20% of the land use right transfer payment may be charged; in case the construction and development has not yet started on expiry of two years after the construction start date that is agreed in the transfer contract, the transferred land use right may be withdrawn without compensation; however, the delay in the start of construction and development due to force majeure or acts of government and relevant government departments or the necessary pre-start works shall be excluded".

(2) Measures on Disposal of Idle Land (Order of the Ministry of Land and Resources No. 53) (《閒置土地處置辦法》(國土資源部令第53號))

Article 22 of the Measures on Disposal of Idle Land stipulates that: "the said idle land in these measures refers to the state-owned construction land whose land use right owner fails to start construction thereon one year after the construction start date as agreed and stipulated in the contract on paid use or the decision on use right grant of the state-owned construction land. For the construction land under construction with the developed area accounting for less than one third of the total construction use land that should be developed, or for the construction land under construction with the invested amount accounting for less than 25% of the total investment amount and the construction thereon having been suspended up to one year, the land may also be identified as idle land".

Articles 5, 6, 7, 9 and 11 of the Measures on Disposal of Idle Land stipulate that: the department of land and resources of the people's government of the city or county has the right to investigate any circumstance suspected to constitute land idling. If such circumstance is confirmed to constitute land idling after investigation, the department of land and resources of the people's government of the city or county will issue a Confirmation on Idle Land (《閒置土地認定書》) to the user of the land and shall then disclose such information to the public on the web portal and in other manners. The superior department of land and resources shall summarize the information on idle land reported by its subordinate department of land and resources and disclose the information on the web portal in a timely manner. The relevant information shall be withdrawn once the disposal of idle land is completed.

Article 8 of the Measures on Disposal of Idle Land stipulates that: "if the start of construction is delayed by the acts of the government or the relevant governmental agencies in any of the following situations, the user of the state-owned construction land should provide the materials explaining the reason of land idling to the department of land and resources of the people's government of the city or county, and if it is proved to be true, the relevant case shall be handled according to Articles 12 and 13 of these measures: (i) the land fails to be delivered to the user of the state-owned construction land according to period and conditions agreed and stipulated in the contract on paid use or the decision on use right grant of the state-owned construction land, and as a result, the conditions for starting construction are not satisfied; (ii) the user of the state-owned construction land cannot make development according to the intended purpose and planning and construction conditions agreed and stipulated in the contract on paid use or the decision on use right grant of the state-owned construction land, because of the lawful change in the overall planning of land utilization and the rural-urban planning; (iii) the agreed and stipulated planning and construction conditions have to be changed because the country promulgates relevant policies; (iv) the development cannot be started because of the local complaints involving the land; (v) the development cannot be started because of military control or historic preservation; and (vi) other actions of the government or the relevant governmental agencies. If the land idling is caused by force majeure, such as natural disaster, it shall be handled in accordance with the previous paragraph".

Article 12 of the Measures on Disposal of Idle Land stipulates that: "if land idling is due to the situations stated in Article 8 of these measures, the department of land and resources of the people's government of the city or county shall negotiate with the user of the state-owned construction land to tackle the case in the following ways: (i) extend the time limit of development. A supplementary agreement shall be signed to reset the construction start date, completion date and breach liabilities. The development period shall be extended for no more than 1 year from the agreed construction start date specified in the supplementary agreement; (ii) adjust the intended purpose and planning conditions for the land. Land use procedures shall be handled, and the land use price shall be calculated, paid or refunded, according to the new purpose or new planning conditions. The new purpose of the land shall meet the overall planning of the land utilization and the rural-urban planning; (iii) arrange for temporary use by the government. When the development and construction conditions for the original project are satisfied, the user of state-owned construction land shall resume the development and construction. The temporary use period shall not exceed 2 years from the date of arrangement; (iv) reach agreement to recover the use right to the state-owned construction land with proper compensation; (v) replace the land. For the land whose price has been paid and the project fund has been allocated, and which is idle because of the lawful change of the planning, it shall be replaced with the state-owned construction land with equivalent value and the same purpose for the user to make development and construction. If land transfer is involved, a new land transfer contract shall be signed specifying the land replacement; (vi) other handling methods developed by the department of land and resources of the people's government of the city or county according to the actual situations. Except for stipulated in item (iv) of the previous paragraph, the construction start date shall be recalculated according to the new agreement".

Paragraph 1 of Article 13 of the Measures on Disposal of Idle Land stipulates that: "after reaching an agreement with the user of the state-owned construction land, the department of land and resources of the people's government of the city or county shall formulate a disposal plan for the idle land and implement such plan, with the approval of the people's government of the same level".

Article 14 of the Measures on Disposal of Idle Land stipulates that: "except for the situations set out in Article 8 of these measures, the idle land shall be handled in the following ways: (i) if the land has been idle for 1 year, the department of land and resources of the people's government of the city or county can, with the approval of the people's government of the same level, issue a Written Decision on Imposing Land Idling Fee (《徵繳土地閒置費決定書》) to the user of the state-owned construction land to levy a land idling fee equal to 20% of the price for land use right transfer or grant. The land idling fee shall not be included into the production cost; (ii) if the land has been idle for 2 years, the department of land and resources of the people's government of the city or county can, with the approval of the competent people's government, issue a Decision on Recovering the Use Right to State-owned Construction Land (《收回國有建設用地使用權決定書》) to the user of the state-owned construction land to recover the use right of state-owned construction land without making any compensation according to Article 37 of Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》) and Article 26 of the Real Estate Administration Law".

(3) Regulatory Policy

The Regulatory Policy states that: "for the identification of such problems as land idling, the administrative penalty information published by the land and resources administrative authorities shall prevail" and "for the identification of such illegal conducts as land idling, in principle, the administrative penalty information published by the land and resources departments shall prevail".

2. Results of Self-Inspection

According to the self-inspection of the Company, during the reporting period, the Company and the project companies did not engage in any case that is determined as land idling according to the department of land and resources or are not subject to the administrative penalty or ongoing investigation of the department of land and resources as at the date of this Self-Inspection Report due to the act in violation of laws and regulations regarding land idling during the development of the self-inspected real estate projects.

III. SPECIFIC SELF-INSPECTION ON LAND SPECULATION

1. Basis of Self-Inspection

The existing laws, regulations, normative documents and legislation do not have specific requirements on the definition, details or applicable conditions of "land speculation". However, according to the interpretation of the following requirements: (1) Article 39 of the Real Estate Administration Law stipulates that: "if the land use right is obtained through transfer, when transferring the real estate, the following conditions shall be met: (i) all the land use right grant fee has been paid according to the transfer contract, and the land use right certificate has been obtained; (ii) if investment and development are made according to the transfer contract, more than 25% of the total development investment has been completed for the house development project, and conditions for the industrial land or other construction land shall be provided for the development of tracts of land"; (2) Article 5 of the Guo Ban Fa [2011] No. 1 Document stipulates that: "the illegal transfer of land use rights shall be investigated and punished strictly. For the real estate development project whose construction investment is less than 25% of the total investment in projects (excluding the land price), the land and the agreed land development project shall not be transferred by any means", the Company believes that, land speculation refers to the act of not starting construction according to the land transfer contract after obtaining the use right of the state-owned construction land and the illegal transfer of land use rights in violation of the abovementioned laws, regulations and normative documents relating to the transfer of land use rights.

Pursuant to the above, the self-inspection on the land speculation behavior of the Company and project companies during the reporting period has focused on the act of not starting construction after obtaining the land use right without the approval of the relevant regulatory authorities and selling the land use right obtained at a high price without fulfilling the conditions of land use right transfer as stipulated by laws and regulations.

2. Results of Self-Inspection

According to the self-inspection of the Company, during the reporting period, the Company and the project companies did not engage in any land speculation in violation of the above requirements on illegal transfer of land use rights, did not receive any notice of administrative penalty or investigation from the relevant department of land and resources in respect of land speculation, or are not subject to the administrative penalty or ongoing investigation of the department of land and resources due to land speculation as at the date of this Self-Inspection Report.

IV. SPECIFIC SELF-INSPECTION ON HOARDING PROPERTIES AND DRIVING UP PROPERTY PRICES BY PRICE RIGGING

1. Basis of Self-Inspection

(1) Article (1) of the Jian Fang [2010] No. 53 Document stipulates that: "the real estate developer that has obtained the pre-sale permit for the commodity housing project shall, on a one-off basis, disclose all the flats that are permitted to be sold and the price of each flat within 10 days, and sell such flats at expressly marked price strictly according to the declared price"; Article (2) of the Jian Fang [2010] No. 53 Document stipulates that: "stern actions shall be taken against the real estate developer that has obtained the pre-sale permit but fails to launch sales to the public or sell all the flats that are permitted to be sold to the public within the specified time, or intentionally causes a tight supply of flats by selling at a unbalanced high price or signing false commodity housing purchase and sales contracts".

(2) Article 7 of Notice of the General Office of the State Council on Promoting the Stable and Healthy Development of the Real Estate Market (Guo Ban Fa [2010] No. 4) (《國務院辦公廳關於促進房地產市場平穩健康發展的通知》(國辦發[2010]4號)) stipulates that: "the real estate developer that has obtained the pre-sale permit shall, on a one-off basis, disclose all the flats within the specified time, and sell such flats at expressly marked price strictly according to the declared price".

(3) Article 9 of the Guo Fa [2010] No. 10 Document stipulates that: "the real estate developer that has obtained the pre-sale permit or made existing house sales filing for the real estate development projects shall, on a one-off basis, disclose all the flats that are permitted to be sold within the specified time, and sell such flats at expressly marked price strictly according to the declared price".

(4) Article 5 of the Guo Ban Fa [2011] No. 1 Document stipulates that: "the regulation of selling commodity housing at expressly marked price and "one flat, one price" shall be further strictly implemented, and the sales shall be conducted strictly according to the declared price".

2. Results of Self-Inspection

According to the self-inspection of the Company, the commodity housing development projects which were completed and obtained pre-sale/sale permits with conditions available for sale during the reporting period, and the commodity housing projects which were still under construction but obtained pre-sale/sale permits with conditions available for sale as at 30 September 2017 of the Company and the project companies were not subject to the administration penalty of the department of housing construction and management due to hoarding properties and driving up property prices by price rigging during the reporting period or are not subject to ongoing investigation of the department of housing construction and management as at the date of this Self-Inspection Report.

V. SELF-INSPECTION ON ADMINISTRATIVE PENALTY AND ONGOING INVESTIGATION

According to the self-inspection of the Company:

1. During the reporting period, the Company and the project companies did not receive the Confirmation on Idle Land (《閒置土地認定書》) issued by the relevant department of land and resources and were not subject to administrative penalty due to land idling; and as at the date of this Self-Inspection Report, the self-inspected real estate projects of the Company and the project companies are not subject to ongoing investigation due to idle land.

2. During the reporting period, the Company and the project companies did not receive the Notice of Administrative Penalty (《行政處罰決定書》) issued by the relevant department of land and resources in respect of land speculation and were not subject to administrative penalty due to land speculation; and as at the date of this Self-Inspection Report, the Company and the project companies are not subject to ongoing investigation due to land speculation.

3. During reporting period, the commodity housing development projects which were completed and obtained pre-sale/sale permits with conditions available for sale, and the commodity housing projects which were still under construction but obtained pre-sale/sale permits with conditions available for sale as at 30 September 2017 of the Company and the project companies were not subject to the administration penalty of the competent department due to hoarding properties and driving up property prices by price rigging; as at the date of this Self-Inspection Report, the Company and the project companies are not subject to ongoing investigation due to hoarding properties and driving up property prices by price rigging.

VI. OVERALL CONCLUSION ON SPECIFIC SELF-INSPECTION

In conclusion, the Company is of the opinion that, during the reporting period, the self-inspected real estate projects of the Company and the project companies were not subject to administration penalty due to illegal acts including idle land, land speculation and hoarding properties and driving up property prices during the development of the self-inspected real estate projects; as at the date of this Self-Inspection Report, the self-inspected real estate projects of the Company and the project companies are not subject to ongoing investigation due to illegal acts including idle land, land speculation and hoarding properties and driving up property prices by price rigging during the development of the self-inspected real estate projects.

PROPOSED DIRECTORS

Executive Directors

Mr. Liu Qitao, born in 1957, Chinese nationality with no overseas permanent residence, is an Executive Director, Chairman of the Board and secretary of the Party Committee of the Company. Mr. Liu also serves as the chairman of the board and secretary of the Party Committee of CCCG. He has in-depth knowledge and extensive management and operational experience. Mr. Liu held positions as the deputy head of No. 13 Bureau of Sinohydro, the assistant to general manager and deputy general manager of China National Water Resources and Hydropower Engineering Corporation and the general manager of its department of overseas operations, the deputy general manager at Sinohydro Corporation and the chairman of the board of directors of Sinohydro International Engineering Co., Ltd., director and general manager of Sinohydro Group Ltd.. Mr. Liu graduated from Dalian University of Technology (formerly known as Dalian Institute of Technology) with a bachelor's degree in water conservancy and hydropower engineering construction, and is qualified as a first class constructor. He is a professor equivalent senior engineer and is entitled to the special government allowance awarded by the State Council. Mr. Liu has been serving as an Executive Director of the Company since January 2011 and Chairman of the Board since 26 April 2013.

Mr. Chen Fenjian, born in 1962, Chinese nationality with no overseas permanent residence, is an Executive Director, Vice Chairman, President and deputy secretary of the Party Committee of the Company. Mr. Chen also serves as the vice chairman, general manager and deputy secretary of the Party Committee of CCCG. He joined the Company in August 1983 and has extensive operational and management experience. Mr. Chen held positions as the deputy head and head of Fourth Navigational Engineering Bureau of CHEC Group, and deputy general manager of CCCG. Mr. Chen graduated from Changsha Communications University with a bachelor's degree in harbour and channel engineering. He also holds a master's degree in business administration from Guanghua School of Management of Peking University. He is a professor equivalent senior engineer and is entitled to the special government allowance awarded by the State Council. Mr. Chen has been serving as a Vice President of the Company since September 2006 and the President of the Company since April 2014. Mr. Chen has been serving as the vice chairman of the Company since 28 December 2016.

Mr. Fu Junyuan, born in 1961, Chinese nationality with no overseas permanent residence, is an Executive Director and the Chief Financial Officer of the Company. Mr. Fu also serves as the Chairman of CCCC Finance Company Limited, a director and the vice chairman of Jiang Tai Insurance Brokers Limited, a director of China Structural Reform Fund Co., Ltd. and a supervisor of China Merchants Bank Co., Ltd.. Mr. Fu has extensive operational and financial management experience, and worked for over ten years at the financial bureau and auditing bureau of the Ministry of Transportation. He held positions as the chief accountant of CHEC Group, the chief accountant and non-executive director of CCCG. Mr. Fu holds a doctor's degree in business administration from Beijing Jiaotong University. He is a professor equivalent senior accountant and is entitled to the special government allowance awarded by the State Council. Mr. Fu has been serving as an Executive Director and the Chief Financial Officer of the Company since September 2006.

Mr. Chen Yun, born in 1963, Chinese nationality with no overseas permanent residence, is a Vice President and deputy secretary of the Party Committee of the Company. Mr. Chen has extensive operational and management experience and worked for more than ten years in the Engineering Management Department and Infrastructure Department of the Ministry of Transportation, and has served successively as the director of Planning and Operating Department, the general manager of Asset Management Department, the deputy general manager of CHEC Group, and the vice president of CCCG. Mr. Chen graduated from Hehai University (formerly known as East China Institute of Water Conservancy) with a Bachelor's degree in harbour and channel engineering. He also holds a Master's degree in business administration from Tsinghua University. He is a senior engineer. Mr. Chen has been serving as a Vice President of the Company since September 2006.

Non-executive Directors

Mr. Liu Maoxun, born in 1955, Chinese nationality with no overseas permanent residence, is a Non-executive Director of the Company. Mr. Liu also serves as an external director of China Energy Conservation and Environmental Protection Group, and an external director of Dongfang Electric Corporation. Mr. Liu has extensive experience in corporate administration and financial management and held positions as a cadre of Financial Department of and the deputy division director, division director and deputy director of Immediate Financial Division of the former Ministry of Chemical Industry of the PRC, the deputy director of Corporate Reform and Financial Department of the State Bureau of Petroleum and Chemical Industry, the deputy head and head of Service Administration Bureau (Administration Bureau of the Former and Retired Staff) of the former State Economic and Trade Commission, head of Service Administration Bureau (Administration Bureau of the Former and Retired Staff) under the SASAC, deputy head of Inspection Team under the SASAC. Mr. Liu graduated from Correspondence Department of Central Institute of Finance and Banking with a major in industrial accounting and later received a master's degree in law from the PRC Central Party College. He is a senior accountant. Mr. Liu has been serving as a Non-executive Director of the Company since April 2014.

Mr. Qi Xiaofei, born in 1957, Chinese nationality with no overseas permanent residence. He currently serves as the Professional External Director for Central State-owned Enterprises under the SASAC. Mr. Qi has extensive experience in the working for government authorities and business operations administration, and served in the Guizhou provincial committee of the communist youth league successively as the deputy director of the general office, deputy director of the Publicity Department and deputy director of the research office. He also served successively as deputy director of the system reform institute of Guizhou provincial Party committee of economic system reform, and deputy director of the secretariat of the general office, standing committee secretary (division level) and secretary of the general secretary to the Communist Party Committee, secretary of the governor (deputy provincial department level) of Hainan Province, deputy director and a member of the Party group of the economic cooperation department of Hainan province. He served as director of the general office, secretary to the Communist Party Committee of the suborganizations (concurrently), director of the training centre (concurrently), deputy director and a member of the Party group of State Bureau of Religious Affairs. He served successively as deputy secretary to the Communist Party Committee and secretary to the Disciplinary Committee of China Railway Construction Corporation, deputy secretary to the Communist Party Committee, secretary to the Disciplinary Committee and chairman of the supervisory committee of China Railway Construction Corporation Limited ("**CRCC**"), general manager and deputy secretary to the Communist Party Committee of China Railway Construction Corporation, and secretary to the Communist Party Committee and vice chairman of CRCC. Mr. Qi graduated from Guizhou University, majoring in philosophy with a bachelor's degree in philosophy and obtained a master's degree in business administration from Cheung Kong Graduate School of Business.

Independent Non-executive Directors

Mr. Huang Long, born in 1953, Chinese nationality with no overseas permanent residence, is an Independent Non-executive Director of the Company. He has extensive experience in corporate administration. Mr. Huang held positions as the deputy manager and manager of International Cooperation Department of and manager of International Cooperation and Commercial Contract Department of Huaneng International Power Development Corporation, deputy general manager and the vice chairman of Huaneng Power International, Inc., deputy general manager of China Huaneng Group. Mr. Huang graduated with a master's degree from the Department of Electrical Engineering of North Carolina State University in the United States, majoring in communications and auto-control. He is a senior engineer. Mr. Huang has been serving as an Independent Non-executive Director of the Company since April 2014.

Mr. Zheng Changhong, born in 1955, Chinese nationality with no overseas permanent residence, has extensive operational and management experience. He held positions as deputy head of Beijing Erqi Locomotive Works (北京二七機車廠), director of the general office, a director and deputy general manager of China National Railway Locomotive & Rolling Stock Industry Corporation (中國鐵路機車車輛工業總公司), a director and deputy general manager, deputy general manager, secretary of the Party Committee and deputy general manager and secretary of the Party Committee of CSR Group Corporation (中國南車集團公司), an Executive Director, Chairman and secretary of the Party Committee of CSR Corporation Limited (中國南車股份有限公司), as well as an Executive Director, vice chairman and secretary of the Party Committee of CRRC Corporation Limited (中國中車集團). Mr. Zheng successively graduated from Lanzhou Railway College majoring in electronics technology and Northern Jiaotong University majoring in accounting, and completed his doctorate education in traffic and transportation planning and management and obtained a doctor's degree in engineering from Beijing Jiaotong University for the studies in transportation planning and administration. He possesses the Senior Professional Manager qualification (a talent with unique contribution), and is a professor equivalent senior engineer and a member of the World Academy of Productivity Science (世界生產力科學院).

Dr. Ngai Wai Fung, born in 1962, Chinese nationality and a resident of Hong Kong Special Administrative Region with no overseas permanent residence, is the chief executive officer of SW Corporate Services Group Limited, and also holds directorship in a number of companies listed on Hong Kong Stock Exchange and other stock exchanges, such as serving as an Independent Non-executive Director of Bosideng International Holdings Limited, Powerlong Real Estate Holdings Limited, BaWang International (Group) Holding Limited, Health and Happiness (H&H) International Holdings Limited, SITC International Holdings Company Limited, Beijing Capital Juda Limited, Yangtze Optical Fibre and Cable Joint Stock Limited Company, BBMG Corporation, TravelSky Technology Limited and China HKBridge Holdings Limited. He is also an Independent Director of LDK Solar Co., Ltd. and SPI Energy Co., Ltd.. Dr. Ngai has over 20 years of experiences in accounting, finance and corporate governance. He has led or participated in a number of significant corporate finance projects including listings, mergers and acquisitions as well as issuance of debt securities. He was an independent non-executive director of CRCC, Sany Heavy Equipment International Holdings Company Limited, China Coal Energy Company Limited and China Railway Group Limited. Dr. Ngai is a senior member of the Association of Chartered Certified Accountants, a member of Hong Kong Certified Accountant Association, a senior member of Institute of Chartered Secretaries and Administrators, a senior member of The Hong Kong Institute of Chartered Secretaries, a senior member of Hong Kong Institute of Directors and a member of Hong Kong Securities and Investment Institute. Dr. Ngai is a member of Qualification and Examination Board of the Hong Kong Institute of Certified Public Accountants, a member of The Chamber of Hong Kong Listed Companies and has also been appointed by the Ministry of Finance of the PRC as Finance Expert Consultant in 2016. Dr. Ngai was the former president of Hong Kong Institute of Chartered Secretaries (2014 to 2015) and has been appointed by the Chief Executive of The Hong Kong Special Administrative Region as a member of Work Group on Professional Services under the Economic Development Commission since 2013. Dr. Ngai obtained a doctor's degree in Finance at Shanghai University of Finance and Economics, a master's degree in Corporate Finance from Hong Kong Polytechnic University, a bachelor's degree in Law at University of Wolverhampton and a master's degree in Business Administration from Andrews University of Michigan, respectively.

PROPOSED SUPERVISORS

Mr. Li Sen, born in 1964, Chinese nationality with no overseas permanent residence, is the general manager of the Human Resource Department and head of the Organizational Department of the Party Committee of the Company. Mr. Li has extensive management experience. He held positions as deputy division chief of Cadre Management, Division of Personnel of Ministry of Coal, head of the Division of Comprehensive Affairs of the Bureau of Cadre Education under the Organization Department of the Central Committee of the Party, deputy director of the Education Department of China National School of Administration (assisting roles of departments or equivalents), member of the Standing Committee of the Party Committee, deputy mayor, head of Propaganda Department, head of Organization Department of Liaoyuan Municipality, Jilin Province, temporary secretary of the Party Committee and vice chairman of Beijing United Development Co., Ltd. (北京聯合置業有限公司), chairman of the Supervisory Committee, temporary deputy secretary of the Party Committee, temporary secretary of Committee for Discipline Inspection and chairman of the Labor Union of CCCG Real Estate Group. Mr. Li successively graduated from Huaibei Coal Industry Normal College (淮北煤炭師範學院) majoring in Chinese language and literature, Capital University of Economics and Business majoring in business management and Tongji University majoring in management science and engineering. He obtained a doctor's degree in management from Tongji University and is a senior political engineer.

Mr. Wang Yongbin, born in 1965, Chinese nationality with no overseas permanent residence, is a Supervisor and the general manager of the Auditing Department of the Company. Mr. Wang also serves as a staff representative supervisor of CCCG and has extensive business expertise and management experience. He is currently the chairman of the supervisory committee of each of Zhenhua Logistics Group Co., Ltd. and CCCC Maintenance Group Co., Ltd. (中交養護集團有限公司), and has been serving as the supervisor of a number of companies under the Group, including China Northeast Municipal Engineering Design & Research Institute Co., Ltd., CCCC Investment Co., Ltd., Zhen Hua (Shenzhen) Engineering Co., Ltd., CCCC Hainan Construction Investment Limited (中交海南建設投資有限公司), Shanghai Zhenshalongfu Machinery Co., Ltd., CCCC Industrial Investment Holding Limited and CCCC Shanghai Equipment Engineering Co., Ltd.. Mr. Wang graduated from Changsha Communications University with a bachelor's degree in project finance and accounting. Mr. Wang is a professor equivalent senior auditor. Mr. Wang has been serving as a Supervisor of the Company since September 2006.

Details of proposed amendments to the Articles of Association are set out as follows:

No.	Original Articles	Amended Articles
	Chapter 1 General Provisions	
1.	**Article 1** These Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the "Special Regulations"), the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the "Mandatory Provisions"), the Guidelines on Articles of Association of Listed Companies (hereinafter referred to as the "Guidelines on Articles"), the State Council Guiding Opinions on the Experimental Development of Preference Shares, the Experimental Administrative Measures on Preference Shares and other relevant requirements with an aim to safeguard the legal interests of China Communications Construction Company Limited (hereinafter referred to as the "Company"), its shareholders and creditors and regulate the organization and conduct of the Company.	**Article 1** These Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the "Special Regulations"), the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the "Mandatory Provisions"), the Guidelines on Articles of Association of Listed Companies (hereinafter referred to as the "Guidelines on Articles"), the Listing Rules of the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the State Council Guiding Opinions on the Experimental Development of Preference Shares, the Experimental Administrative Measures on Preference Shares, the Constitution of the Communist Party of China (hereinafter referred to as the "Party Constitution") and other relevant requirements with an aim to safeguard the legal interests of China Communications Construction Company Limited (hereinafter referred to as the "Company"), its shareholders and creditors and regulate the organization and conduct of the Company.

No.	Original Articles	Amended Articles
2.	**Article 2** The Company is a joint stock limited company incorporated in accordance with the Company Law, the Securities Law, the Special Regulations and other applicable laws and administrative rules of the PRC. The Company was established by way of promotion with sole promoter and with the approval from the PRC State Council. It was registered with the State Administration for Industry and Commerce, and obtained its business license on 8 October 2006. Its legal person business license number is 100000000040563. The promoter of the Company is China Communications Construction Group (Limited).	**Article 2** The Company is a joint stock limited company incorporated in accordance with the Company Law, the Securities Law, the Special Regulations and other applicable laws and administrative rules of the People's Republic of China (the "PRC"; which, for the purposes of these Articles of Association, does not include the Hong Kong Special Administrative Region, the Macao Special Administrative Region or Taiwan). The Company was established by way of promotion with sole promoter and with the approval from the PRC State Council. The promoter is China Communications Construction Group (Limited). It was registered with the State Administration for Industry and Commerce, and obtained its business license on 8 October 2006. The current unified social credit code of the Company is 91110000710934369E.
3.	—	**Adding a new article as Article 11:** As required by the Party Constitution, the Company shall establish an organization of the Communist Party of China, in which the Party organization shall play the core leadership role and core political role, providing direction, managing the overall situation and ensuring implementation. The Company shall establish the working institutions of the Party, which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.

No.	Original Articles	Amended Articles
Chapter 2 Objectives and Scope of Business		
4.	**Article 12** The business scope of the Company shall be consistent with and subject to that as approved by the competent authority in charge of the registration of companies. The business scope of the Company includes: Permitted business: secondment of labour abroad to implement offshore works General businesses: (1) The general contracting of the construction projects of ports, seaways, highways and bridges; (2) Technological research and consultation; (3) Project design, surveying, design, construction, supervision as well as the procurement, supply and installation of the relevant integrated equipment and materials; (4) General contracting of the construction projects of industrial and civil construction, railways, metallurgy, petrochemical, tunnels, electricity, mines, water conservancy, public utilities; (5) General contracting of the building of all types of specialized vessels; (6) Leasing and maintenance of specialized vessels and construction machinery; (7) Professional services in relation to towing and offshore engineering;	**Article 13** The business scope of the Company shall be consistent with and subject to that as approved by the competent authority in charge of the registration of companies. The business scope of the Company includes: Permitted business: secondment of labour abroad to implement offshore works General businesses: (1) The general contracting of the construction projects of ports, seaways, highways and bridges; (2) Technological research and consultation; (3) Project design, surveying, design, construction, supervision as well as the procurement, supply and installation of the relevant integrated equipment and materials; (4) General contracting of the construction projects of industrial and civil construction, railways, metallurgy, petrochemical, tunnels, electricity, mines, water conservancy, public utilities; (5) General contracting of the building of all types of specialized vessels; (6) Leasing and maintenance of specialized vessels and construction machinery; (7) Professional services in relation to towing and offshore engineering;

No.	Original Articles	Amended Articles
	(8) Technical consultation services of vessels and ancillary port equipment; (9) Import and export business; (10) Real estate development and property management; (11) International technological co-operation and communication; (12) Investment and management of logistics, transportation, hotels, tourism business. The Company may change its business scope and complete relevant alteration procedures as required in light of the market conditions both at home and abroad, the development of its business and capabilities.	(8) Technical consultation services of vessels and ancillary port equipment; (9) Import and export business; (10) International technological co-operation and communication; (11) Investment and management of logistics, transportation, hotels, tourism business; (12) Design, installation, repair and technological development of subway transportation, subway vehicles and subway equipment. The Company may change its business scope and complete relevant alteration procedures as required in light of the market conditions both at home and abroad, the development of its business and capabilities.
Chapter 3 Shares, Registered Capital and Transfer of Shares		
5.	**Article 13** There must be ordinary shares in the Company. Subject to the approval from examination and approval departments authorized by the State Council, the Company may create preference shares and other classes of shares. Preference shareholders and ordinary shareholders are regarded as different classes of shareholders.	**Article 14** There must be ordinary shares in the Company. Subject to the approval from examination and approval departments authorized by the State Council, the Company may create preference shares and other classes of shares. Preference shareholders and ordinary shareholders are regarded as different classes of shareholders. Preference shares refer to the other class of shares governed separately under the Company Law as compared to the ordinary shares governed by the general provisions. Preference shareholders shall participate in the distribution of profits and residual assets of the Company in priority to ordinary shareholders, but their rights in respect of participating in decision making and management of the Company are restricted. Special matters relating to preference shares of the Company are set out separately in Chapter 22 of these Articles of Association.

No.	Original Articles	Amended Articles
6.	**Article 19** With the approval from securities authorities of the State Council, the Company issued 4,025,000,000 overseas-listed foreign shares (H shares) (including the shares issued upon the exercise of the overallotment option, but excluding part of shares transferred/reduced from state-owned shares) in 2006 after its incorporation. Upon completion of the abovementioned issuance, the registered capital of the Company was RMB14,825,000,000. With the approval from the China Securities Regulatory Commission, the Company issued 1,349,735,425 domestic-listed shares (A shares) (excluding part of shares transferred/reduced from state-owned shares) under the initial public offering in 2012. Upon completion of the share offering, the registered capital of the Company was changed to RMB16,174,735,425. As of 9 March 2012, the total number of ordinary shares of the Company is 16,174,735,425 shares, with 10,304,907,407 shares, 4,427,500,000 shares and 1,442,328,018 shares, representing 63.72%, 27.37% and 8.91%, are held by China Communications Construction Group (Limited), holders of overseas-listed foreign shares and holders of domestic listed shares, respectively. With the approval from the China Securities Regulatory Commission, the Company issued [●] preference shares (the "Preference Shares") under the initial non-public offering in [●].	**Article 20** With the approval from securities authorities of the State Council, the Company issued 4,025,000,000 overseas-listed foreign shares (H shares) (including the shares issued upon the exercise of the overallotment option, but excluding part of shares transferred/reduced from state-owned shares) in 2006 after its incorporation. Upon completion of the abovementioned issuance, the registered capital of the Company was RMB14,825,000,000 and the total share capital was changed to 14,825,000,000 shares. With the approval from the China Securities Regulatory Commission, the Company issued 1,349,735,425 domestic-listed shares (A shares) (excluding part of shares transferred/reduced from state-owned shares) under the initial public offering in 2012. Upon completion of the aforementioned share offering, the registered capital of the Company was changed to RMB16,174,735,425, and the total share capital was changed to 16,174,735,425 shares, among which 11,747,235,425 shares are RMB-denominated ordinary shares and 4,427,500,000 shares are overseas-listed foreign shares, representing 72.63% and 27.37% respectively. With the approval from the China Securities Regulatory Commission, the Company issued a total of 145,000,000 preference shares under the non-public offering in 2015.

No.	Original Articles	Amended Articles
Chapter 4 Change in and Buyback of Shares		
7.	**Article 33** In the event that the Company purchases its shares due to the reasons stated in (1) to (3) of Article 31 hereof, a resolution thereon shall be made at a shareholders' general meeting. In the event that the Company purchases its ordinary shares in accordance with Article 31 of the Articles of Association due to the reason stated in (1), the shares shall be cancelled within ten days from the date of purchase; in the event that it is due to the reason stated in (2) or (4), the shares shall be transferred or cancelled within six months. The ordinary shares of the Company purchased by the Company in accordance with (3) of Article 31 shall not exceed five percent of the total issued shares of the Company; the funds used for the purchase shall be paid out of the after-tax profits of the Company; the shares so purchased shall be transferred to the employees within one year.	**Article 34** In the event that the Company purchases its shares due to the reasons stated in (1) to (3) of Article 32 hereof, a resolution thereon shall be made at a shareholders' general meeting. In the event that the Company purchases its ordinary shares in accordance with Article 32 of the Articles of Association due to the reason stated in (1), the shares shall be cancelled within ten days from the date of purchase; in the event that it is due to the reason stated in (2) or (4), the shares shall be transferred or cancelled within six months. The ordinary shares of the Company purchased by the Company in accordance with (3) of Article 32 shall not exceed five percent of the total issued shares of the Company; the funds used for the purchase shall be paid out of the after-tax profits of the Company; the shares so purchased shall be transferred to the employees within one year. The total number of outstanding preference shares shall be written down accordingly upon repurchase of preference shares by the Company in accordance with the provisions of this Article.

No.	Original Articles	Amended Articles
Chapter 8 Shareholders' General Meetings		
8.	**Article 67** The Company shall convene an extraordinary general meeting within two months of the happening of an event if: (1) the number of directors is below the required quorum as prescribed in the Company Law or is less than two-thirds of the required quorum hereunder; (2) the losses not yet made up by the Company account for one-third of the total paid-up share capital; (3) the shareholders individually or jointly holding more than ten percent of total voting shares of the Company make a request; (4) the Board of Directors considers it necessary or the Supervisory Committee proposes convening the meeting; (5) other cases as required by laws, administrative regulations, departmental rules or these Articles of Association.	**Article 68** The Company shall convene an extraordinary general meeting within two months of the happening of an event if: (1) the number of directors is below the required quorum as prescribed in the Company Law or is less than two-thirds of the required quorum hereunder; (2) the losses not yet made up by the Company account for one-third of the total paid-up share capital; (3) the shareholders individually or jointly holding more than ten percent of total voting shares of the Company make a request (the number of shares held is calculated based on that as at the date when the shareholders propose a written request); (4) the Board of Directors considers it necessary or the Supervisory Committee proposes convening the meeting; (5) more than half of all the independent directors of the Company agree with the proposal of holding such a meeting; (6) other cases as required by laws, administrative regulations, departmental rules or these Articles of Association. In calculating the proportion of the shareholdings as prescribed in item (3) of this Article, only votes of ordinary shares and votes of preference shares with voting rights restored shall be counted.

No.	Original Articles	Amended Articles
9.	**Article 73** In the event that the Supervisory Committee or a shareholder decides to convene a shareholders' general meeting on its own, it or he shall notify the Board of Directors in writing and report the same to the local representative office of CSRC and the stock exchange of the place where the Company is located for the record. Before making an announcement on a resolution made at the shareholders' general meeting, the percentage of voting shares held by the convening shareholders may not be less than ten percent. The convening shareholders shall submit relevant evidence to the local representative office of CSRC and the stock exchange of the place where the Company is located when giving a notice of shareholders' general meeting and making an announcement on the resolutions made at such meeting.	**Article 74** In the event that the Supervisory Committee or a shareholder decides to convene a shareholders' general meeting on its own, it or he shall notify the Board of Directors in writing and report the same to the local representative office of CSRC and the stock exchange of the place where the Company is located for the record, and shall issue the notice for convening an extraordinary general meeting, the contents of which shall comply with Article 84 of these Articles of Association and shall also meet the following requirements: (1) New contents are not allowed to be added to the resolutions, otherwise the Supervisory Committee or the convening shareholders shall request for convening an extraordinary general meeting to the Board of Directors according to the above procedures once again; (2) the venue of the meeting shall be the Company's domicile. Before making an announcement on a resolution made at the shareholders' general meeting, the percentage of voting shares held by the convening shareholders may not be less than ten percent. The Supervisory Committee or the convening shareholders shall submit relevant evidence to the local representative office of CSRC and the stock exchange of the place where the Company is located when giving a notice of shareholders' general meeting and making an announcement on the resolutions made at such meeting.

No.	Original Articles	Amended Articles
10.	**Article 80** A notice of shareholders' general meeting shall meet the following requirements: (1) it shall be given in writing; (2) it shall designate the time, place and duration of the meeting; (3) it shall contain matters and proposals to be considered at the meeting; (4) it shall provide shareholders with required information and explanations to enable the shareholders to make sensible decisions on the matters discussed. This policy shall include (but not limited to) the provision of specific conditions and contracts (if any) for a contemplated transaction at the time when the Company proposes a merger, buyback of shares, reorganization of share capital or other reorganization, as well as the giving of serious explanations as a result of the causes and consequences thereof; (5) in the event any directors, supervisors, president or other senior management officers have a significant interest in the matters to be discussed, they shall disclose the nature and extent of such interest; in the event that the impact of the matters to be discussed on the directors, supervisors, president and other senior management officers as shareholders is different from that on the other shareholders of the same class, the notice shall explain the difference; (6) it shall contain the full text of any special resolution to be passed at the meeting;	**Article 81** A notice of shareholders' general meeting shall meet the following requirements: (1) it shall be given in writing; (2) it shall designate the time, place and duration of the meeting; (3) it shall contain matters and proposals to be considered at the meeting; (4) it shall provide shareholders with required information and explanations to enable the shareholders to make sensible decisions on the matters discussed. This policy shall include (but not limited to) the provision of specific conditions and contracts (if any) for a contemplated transaction at the time when the Company proposes a merger, buyback of shares, reorganization of share capital or other reorganization, as well as the giving of serious explanations as a result of the causes and consequences thereof; (5) in the event any directors, supervisors, president or other senior management officers have a significant interest in the matters to be discussed, they shall disclose the nature and extent of such interest; in the event that the impact of the matters to be discussed on the directors, supervisors, president and other senior management officers as shareholders is different from that on the other shareholders of the same class, the notice shall explain the difference; (6) it shall contain the full text of any special resolution to be passed at the meeting;

No.	Original Articles	Amended Articles
	(7) it shall explain in clear text can appoint a proxy in writing to attend the meeting and to vote thereat. The proxy needs not be a shareholder of the Company; (8) it shall contain the time and place of serving a power of attorney of the voting proxy at the meeting; (9) it shall contain the record date on which shareholders have the right to attend the shareholders' general meeting; (10) it shall contain the names and telephone numbers of permanent contact persons for the affairs of the meeting. In the event that independent directors are required to express their opinions on the matters to be discussed, a notice of shareholders' general meeting or a supplementary notice shall, when given, also disclose the opinions and reasons of the independent directors. In the event that a shareholders' general meeting is held through a network or otherwise, the notice of shareholders' general meeting shall explicitly state the voting time and voting procedures on the network or otherwise. Voting at the shareholders' general meeting on the network or otherwise shall commence not earlier than 3:00 pm on the day prior to an on-site shareholders' general meeting, and not later than 9:30 am on the day of the on-site shareholders' general meeting, and shall finish not earlier than 3:00 pm on the day of closing the on-site shareholders' general meeting. The interval between the record date and the date of the meeting shall not be more than seven working days. Once the record date is confirmed, no change may be made thereto.	(7) it shall explain in clear text can appoint a proxy in writing to attend the meeting and to vote thereat. The proxy needs not be a shareholder of the Company; (8) it shall contain the time and place of serving a power of attorney of the voting proxy at the meeting; (9) it shall contain the record date on which shareholders have the right to attend the shareholders' general meeting; (10) it shall contain the names and telephone numbers of permanent contact persons for the affairs of the meeting. In the event that independent directors are required to express their opinions on the matters to be discussed, a notice of shareholders' general meeting or a supplementary notice shall, when given, also disclose the opinions and reasons of the independent directors. In the event that a shareholders' general meeting is held through a network or otherwise, the notice of shareholders' general meeting shall explicitly state the voting time and voting procedures on the network or otherwise. Voting at the shareholders' general meeting on the network or otherwise shall commence not earlier than 3:00 pm on the day prior to an on-site shareholders' general meeting, and not later than 9:30 am on the day of the on-site shareholders' general meeting, and shall finish not earlier than 3:00 pm on the day of closing the on-site shareholders' general meeting.

No.	Original Articles	Amended Articles
11.	**Article 95** A shareholders' general meeting shall be convened and chaired by the chairman. In the event that the chairman is unable to or fails to perform his duties, the vice-chairman (in case the Company has two or more vice-chairmen, the vice-chairman jointly elected by more than half of the directors shall chair the meeting) shall convene and chair the meeting. In the event that the vice-chairman is unable to or fails to perform his duties, <u>the Board of Directors may designate a director of the Company to convene and chair the meeting on his behalf.</u> In the event that the chairman of the meeting is not specified, the shareholders present at the meeting may elect one person as a chairman; if for any reason shareholders cannot elect a chairman, the shareholder (including proxy) present at the meeting with the largest number of the voting shares shall chair the meeting. A shareholders' general meeting convened by the Supervisory Committee on its own shall be chaired by the chairman of the Supervisory Committee. In the event that the chairman is unable to or fails to perform his duties, the vice-chairman of the Supervisory Committee shall chair the meeting. In the event that the vice-chairman is unable to or fails to perform his duties, a supervisor jointly elected by more than half of the supervisors shall chair the meeting. A shareholders' general meeting convened by shareholders on their own shall be chaired by a representative elected by the convenor.	**Article 96** A shareholders' general meeting shall be convened and chaired by the chairman. In the event that the chairman is unable to or fails to perform his duties, the vice-chairman (in case the Company has two or more vice-chairmen, the vice-chairman jointly elected by more than half of the directors shall chair the meeting) shall convene and chair the meeting. In the event that the vice-chairman is unable to or fails to perform his duties, <u>a director of the Company jointly elected by more than half of the Directors shall convene and chair the meeting on his behalf.</u> In the event that the chairman of the meeting is not specified, the shareholders present at the meeting may elect one person as a chairman; if for any reason shareholders cannot elect a chairman, the shareholder (including proxy) present at the meeting with the largest number of the voting shares shall chair the meeting. A shareholders' general meeting convened by the Supervisory Committee on its own shall be chaired by the chairman of the Supervisory Committee. In the event that the chairman is unable to or fails to perform his duties, the vice-chairman of the Supervisory Committee shall chair the meeting. In the event that the vice-chairman is unable to or fails to perform his duties, a supervisor jointly elected by more than half of the supervisors shall chair the meeting. A shareholders' general meeting convened by shareholders on their own shall be chaired by a representative elected by the convenor.

No.	Original Articles	Amended Articles
	During a shareholders' general meeting, in the event that the chairman of the meeting violates the rules of procedure so that the shareholders' general meeting cannot proceed, a person may be elected as the chairman of the meeting thereat to proceed with the meeting with the consent of the shareholders with a majority of the voting rights present at the meeting. If for any reason the shareholders cannot elect a chairman of the meeting, the shareholder (including proxy) with the largest number of the voting shares present at the meeting shall chair the meeting.	During a shareholders' general meeting, in the event that the chairman of the meeting violates the rules of procedure so that the shareholders' general meeting cannot proceed, a person may be elected as the chairman of the meeting thereat to proceed with the meeting with the consent of the shareholders with a majority of the voting rights present at the meeting. If for any reason the shareholders cannot elect a chairman of the meeting, the shareholder (including proxy) with the largest number of the voting shares present at the meeting shall chair the meeting.
12.	**Article 98** Directors, supervisors and senior management officers shall explain and illustrate the questions and suggestions made by shareholders at a shareholders' general meeting.	**Article 99** Directors, supervisors and senior management officers shall explain and illustrate the questions and suggestions made by shareholders at a shareholders' general meeting, except for national secrets or trade secrets of the Company that cannot be disclosed at a shareholders' general meeting.
13.	**Article 100** Minutes shall be prepared for a shareholders' general meeting by the Secretary of the Board of Directors. The minutes of a meeting shall record the following particulars: (1) the time, place, agenda and name of the convenor of the meeting; (2) the names of the chairman of the meeting and the directors, supervisors, president and other senior management officers attending or sitting in on the meeting; (3) the number of shareholders and proxies attending the shareholders' general meetings, the total number of voting shares held and their respective percentages of total number of shares of the Company;	**Article 101** Minutes shall be prepared for a shareholders' general meeting by the Secretary of the Board of Directors. The minutes of a meeting shall record the following particulars: (1) the time, place, agenda and name of the convenor of the meeting; (2) the names of the chairman of the meeting and the directors, supervisors, president and other senior management officers attending or sitting in on the meeting; (3) the total number of voting shares held by holders of domestic listed shares (including proxies) and holders of overseas-listed foreign shares (including proxies) attending the shareholders' general meetings and their respective percentages of total number of shares of the Company;

No.	Original Articles	Amended Articles
	(4) the process of considering each proposal, main points of remarks and voting results; (5) questions, comments or suggestions by shareholders, and the replies thereto or explanations thereof; (6) the names of lawyers, counters and scrutineers of votes; (7) other particulars that shall be recorded into the meeting minutes as prescribed hereunder.	(4) the process of considering each proposal, main points of remarks and voting results of each resolution by the holders of domestic listed shares and holders of overseas-listed foreign shares; (5) questions, comments or suggestions by shareholders, and the replies thereto or explanations thereof; (6) the names of lawyers, counters and scrutineers of votes; (7) other particulars that shall be recorded into the meeting minutes as prescribed hereunder.
14.	**Article 103** Resolutions made at a shareholders' general meeting shall be divided into ordinary resolutions and special resolutions. An ordinary resolution made at a shareholders' general meeting shall be passed by a majority of voting rights held by the shareholders (including proxies) present at the meeting. A special resolution made at a shareholders' general meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting. Shareholders (including proxies) present at the meeting shall expressly indicate whether they vote in favour of, against or abstain from voting in respect of every matter that requires voting.	**Article 104** Resolutions made at a shareholders' general meeting shall be divided into ordinary resolutions and special resolutions. An ordinary resolution made at a shareholders' general meeting shall be passed by more than half of voting rights held by the shareholders (including proxies) present at the meeting. A special resolution made at a shareholders' general meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting. Shareholders (including proxies) present at the meeting shall expressly indicate whether they vote in favour of, against or abstain from voting in respect of every matter that requires voting.

No.	Original Articles	Amended Articles
15.	**Article 104** When shareholders (including proxies) vote at a shareholders' general meeting, they shall exercise their voting rights represented by the number of voting shares. Each share held by ordinary shareholders shall have one voting right; the holders of preference shares with voting rights restored shall be entitled to have such voting rights in accordance with the provisions of Article 287 and Article 290 of the Articles of Association. The shares of the Company held by the Company shall not have voting rights, and these shares shall not be included in the total number of voting shares at a shareholders' general meeting. The Board of Directors, independent directors and shareholders who meet relevant requirements may collect the voting rights from shareholders. In accordance with applicable laws, regulations and the listing rules of the stock exchange on which the shares of the Company are listed, in the event that any shareholder needs to abstain from voting or is restricted to vote only in favour of or only against a particular resolution, such voting made in violation of relevant requirements or by imposition of restrictions on shareholders (or their proxies) shall not be included into the total number of valid votes. Where material issues affecting the interests of small and medium investors are being considered in the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed.	**Article 105** When shareholders (including proxies) vote at a shareholders' general meeting, they shall exercise their voting rights represented by the number of voting shares. Each share held by ordinary shareholders shall have one voting right; the holders of preference shares with voting rights restored shall be entitled to have such voting rights in accordance with the provisions of Article 297 and Article 300 of the Articles of Association. The shares of the Company held by the Company shall not have voting rights, and these shares shall not be included in the total number of voting shares at a shareholders' general meeting. The Board of Directors, independent directors and shareholders who meet relevant requirements may collect the voting rights from shareholders. Information including the specific voting preference shall be fully disclosed to the shareholders for whom voting rights are being collected. Consideration or de facto consideration for collecting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for collecting voting rights. In accordance with applicable laws, regulations and the listing rules of the stock exchange on which the shares of the Company are listed, in the event that any shareholder needs to abstain from voting or is restricted to vote only in favour of or only against a particular resolution, such voting made in violation of relevant requirements or by imposition of restrictions on shareholders (or their proxies) shall not be included into the total number of valid votes. Where material issues affecting the interests of small and medium investors are being considered in the shareholders' general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed.

No.	Original Articles	Amended Articles
Chapter 10 The Board		
16.	—	**Adding a new article as Article 157:** Prior to making decisions on material issues of the Company, the Board of Directors shall first hear the opinions of the Party Committee. When the Board appoints senior management members of the Company, the Party Committee shall consider and provide opinions on the candidates nominated by the Board of Directors or the president, or recommend nominees to the Board of Directors or the president.
17.	**Article 156** The Board shall set up special committees to assist the Board fulfil the duties as authorised by the Board. The special committees under the Board include strategic committee, audit committee, remuneration and review committee, nomination committee, etc. The special committees shall be accountable to the Board and consist of directors. In the remuneration and review committee, independent directors shall be the majority and shall act as Chairman. The nomination committee shall be chaired by the chairman of the Board or an independent non-executive director, and independent non-executive directors shall be the majority or the diversity policy of the Board shall be specified. The policy or summary shall be disclosed in corporate governance report. In the audit committee, independent directors shall be the majority and shall act as Chairman, who must have relevant professional experience in accounting or financial management, and all members of the committee shall have special knowledge and business experience capable of fulfilling duties of the committee. Where necessary, the Board may also set up other committees and adjust the existing committees. The Board shall formulate rules of procedures for respective special committees.	**Article 158** The Board shall set up special committees to assist the Board fulfil the duties as authorised by the Board. The special committees under the Board include <u>strategy and investment committee</u>, <u>audit and internal control committee</u>, remuneration and review committee, nomination committee, etc. The special committees shall be accountable to the Board and consist of directors. In the remuneration and review committee, independent directors shall be the majority and shall act as Chairman. The nomination committee shall be chaired by the chairman of the Board or an independent non-executive director, and independent non-executive directors shall be the majority or the diversity policy of the Board shall be specified. The policy or summary shall be disclosed in corporate governance report. In the <u>audit and internal control committee</u>, independent directors shall be the majority and shall act as Chairman, who must have relevant professional experience in accounting or financial management, and all members of the <u>audit and internal control committee</u> shall have special knowledge and business experience capable of fulfilling duties of the <u>audit and internal control committee</u>. Where necessary, the Board may also set up other committees and adjust the existing committees. The Board shall formulate rules of procedures for respective special committees.

No.	Original Articles	Amended Articles
18.	**Article 157** The main duties of the strategic committee under the Board are: (1) to study corporate development strategies and mid-to long-term development plans, make recommendations, conduct assessment and monitor the implementation thereof; (2) to study the proposal for increases or reductions of the Company's registered capital, issuance of corporate bonds, merger, division and dissolution and make recommendations; (3) to study material business restructuring, external acquisition, merger and disposal of assets of the Company and make recommendations; (4) to study the development initiatives of new markets and businesses and make recommendations; (5) to study the Company's plans on investments, financing and capital operations that are subject to the approval of the Board and make recommendations; (6) to study the Company's material organisational restructuring and adjustment proposals and make recommendations; (7) to instruct and oversee the implementation of relevant resolutions of the Board; (8) other duties and powers as authorised by the Board.	**Article 159** The main duties of the strategy and investment committee under the Board are: (1) to study corporate development strategies and mid-to long-term development plans, make recommendations, conduct assessment and monitor the implementation thereof; (2) to study the proposal for increases or reductions of the Company's registered capital, issuance of corporate bonds, merger, division and dissolution and make recommendations; (3) to study material business restructuring, external acquisition, merger and disposal of assets of the Company and make recommendations; (4) to study the development initiatives of new markets and businesses and make recommendations; (5) to study the Company's annual investment plans and make recommendations, to study the Company's plans on investments, financing and capital operations that are subject to the approval of the Board and make recommendations; (6) to study the Company's material organisational restructuring and adjustment proposals and make recommendations; (7) to instruct and oversee the implementation of relevant resolutions of the Board; (8) other duties and powers as authorised by the Board.

No.	Original Articles	Amended Articles
19.	**Article 158** The main duties of the audit committee under the Board are: (1) to supervise and assess the work of external auditors; (2) to instruct the work of internal auditors; (3) to review and comment on the financial report of the Company; (4) to assess the effectiveness of the Company's internal control system, to examine and monitor the effectiveness of the Company's financial reporting system, internal control system and risk management framework; (5) to serve as an intermediate between the management, internal auditors and relevant departments and external auditors; (6) other affairs as authorised by the Board and other issues involved in related laws and regulations.	**Article 160** The main duties of the audit and internal control committee under the Board are: (1) to supervise and assess the work of external auditors; (2) to instruct the work of internal auditors; (3) to review and comment on the financial report of the Company; (4) to assess the effectiveness of the Company's internal control system, to examine and monitor the effectiveness of the Company's financial reporting system, internal control system and risk management framework; (5) to serve as an intermediate between the management, internal auditors and relevant departments and external auditors; (6) to conform with the due duties and responsibilities as prescribed under the Corporate Governance Code formulated by The Stock Exchange of Hong Kong Limited; (7) other affairs as authorised by the Board and other issues involved in related laws and regulations.

No.	Original Articles	Amended Articles
20.	**Article 166** Board meetings include regular meetings and extraordinary meetings. The Board shall at least hold one regular meeting in the first half and in the second half of each year respectively. Board meetings shall be convened by the Chairman. Notice of the meeting shall be served on all directors ten (10) days before the date of the meeting. In case of an emergency, an extraordinary board meeting may be convened upon proposal of the shareholders holding one-tenth or more of the Company's voting shares, one-third or more members of the Board or the supervisory committee, the Chairman, half or more of independent directors or the president.	**Article 168** Board meetings include regular meetings and extraordinary meetings. The Board shall at least hold one regular meeting in the first half and in the second half of each year respectively. Board meetings shall be convened by the Chairman. Notice of the meeting shall be served on all directors and supervisors ten (10) days before the date of the meeting. The Chairman of the Board shall convene an extraordinary board meeting within ten (10) days if: (1) it is proposed by shareholders holding more than one-tenth of the Company's voting shares; (2) it is proposed by more than one-third of the Directors; (3) it is proposed by the Supervisory Committee; (4) the Chairman of the Board deems it necessary; (5) it is proposed by more than half of independent directors; (6) it is proposed by the president; (7) other circumstance specified in laws, administrative regulations and these Articles of Association arises.

No.	Original Articles	Amended Articles
	Chapter 12 President and Other Senior Management Members	
21.	**Article 183** The president shall be accountable to the Board and perform the following duties and powers: (1) to be in charge of the Company's production, operation and management, and to organise the implementation of the resolutions of the Board; (2) to organise the implementation of the Company's annual business plans and investment schemes; (3) to prepare the Company's annual financial budget and final accounts, and make recommendations to the Board; (4) to draft the plans for conversion, division, reorganisation or dissolution of the Company's wholly-owned subsidiaries; (5) to formulate the salary level and distribution plan for employees, and determine the employment and dismissal of employees of the Company; (6) to draft plans for the establishment of the Company's internal management structure; (7) to draft plans for the establishment of the Company's branches; (8) to draft the Company's basic management system; (9) to formulate specific rules and regulations of the Company;	**Article 185** The president shall be accountable to the Board and perform the following duties and powers: (1) to be in charge of the Company's production, operation and management, ~~and~~ to organise the implementation of the resolutions of the Board<u>, and to report to the Board</u>; (2) to organise the implementation of the Company's annual business plans and investment schemes; (3) to prepare the Company's annual financial budget and final accounts, and make recommendations to the Board; (4) to draft the plans for conversion, division, reorganisation or dissolution of the Company's wholly-owned subsidiaries; (5) to formulate the salary level and distribution plan for employees, and determine the employment and dismissal of employees of the Company; (6) to draft plans for the establishment of the Company's internal management structure; (7) to draft plans for the establishment of the Company's branches; (8) to draft the Company's basic management system; (9) to formulate specific rules and regulations of the Company;

No.	Original Articles	Amended Articles
	(10) to propose to the Board for appointment or removal of the Company's vice presidents and chief financial officer; (11) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board; (12) to propose to convene an extraordinary board meeting; (13) other duties and powers conferred by the Articles of Association and the Board.	(10) to propose to the Board for appointment or removal of the Company's vice presidents and chief financial officer; (11) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board; (12) to propose to convene an extraordinary board meeting; (13) other duties and powers conferred by the Articles of Association and the Board.
22.	**Article 188** The president of the Company shall, in performing duties and powers, act in good faith and with due diligence in accordance with the laws, administrative regulations and the Articles of Association.	**Article 190** The senior management of the Company shall, in performing duties and powers, act in good faith and with due diligence in accordance with the laws, administrative regulations and the Articles of Association. If the senior management of the Company violates the laws or breaches the Articles of Association in the course of performing duties, which causes losses to the Company, the senior management shall be liable for damages.
23.	—	**Adding a new article as Article 191:** The president of the Company is in charge of the daily management of the Company and shall hear the opinions of the Party Committee of the Company in advance for study and decision on material issues in relation to the production, operation and management of the Company.

No.	Original Articles	Amended Articles
	Chapter 13 Supervisory Committee	
24.	**Article 196** The Company shall establish a supervisory committee. The supervisory committee shall comprise three (3) supervisors, including a chairman. The chairman of the supervisory committee shall be elected by a simple majority of all supervisors.	**Article 199** The Company shall establish a supervisory committee. The supervisory committee shall comprise three (3) supervisors, including a chairman. The appointment and removal of the chairman of the supervisory committee shall be determined by the affirmative votes of more than two-thirds of its members.
25.	**Article 199** The supervisory committee shall convene at least one (1) meeting every six (6) months, which shall be convened by the chairman of the supervisory committee. A supervisor shall be elected by half or more of supervisors to convene and preside over the meeting. Supervisors may propose the convening of extraordinary meeting of the supervisory committee.	**Article 202** The supervisory committee shall convene at least one (1) meeting every six (6) months, which shall be convened by the chairman of the supervisory committee. Where the chairman of the supervisory committee is unable to perform the duty of convening a supervisory committee meeting, a supervisor shall be elected by half or more of supervisors to convene and preside over the meeting. Supervisors may propose the convening of extraordinary meeting of the supervisory committee.
26.	**Article 202** At a meeting of the supervisory committee, each supervisor has a ballot of voting right in the forms such as open ballot and written. The voting intent of a supervisor may be "for", "against" or "abstain" from which each attending supervisor shall choose one. The chair of meeting shall require those who fail to choose or simultaneously choose two or more intents to re-choose, otherwise such supervisors shall be deemed as having abstained from voting; anyone who has left the meeting midway without coming back and failed to choose shall be deemed as having abstained from voting. Resolutions of the supervisory committee shall be passed by half or more of its members.	**Article 205** At a meeting of the supervisory committee, each supervisor has a ballot of voting right in the forms such as open ballot and written. The voting intent of a supervisor may be "for", "against" or "abstain" from which each attending supervisor shall choose one. The chair of meeting shall require those who fail to choose or simultaneously choose two or more intents to re-choose, otherwise such supervisors shall be deemed as having abstained from voting; anyone who has left the meeting midway without coming back and failed to choose shall be deemed as having abstained from voting. Resolutions of the supervisory committee shall be passed by more than two-thirds of its members.

No.	Original Articles	Amended Articles
27.	—	**Adding a new article as Article 208:** The notice of a meeting of the supervisory committee shall contain the following: (1) the time, venue and duration of the meeting; (2) the matters proposed to be considered (proposals of the meeting); (3) the convener and chair of the meeting, and the proposer of the extraordinary meeting and its written proposal; (4) the essential meeting materials for supervisors to vote; (5) the request for the supervisors to attend the meeting in person; (6) the contact person and means of contact; (7) the date of issuing the notice. A verbal meeting notice shall at least include items (1) and (2) above and an explanation that an extraordinary meeting of the supervisory committee requires to be convened as soon as possible due to emergency.

No.	Original Articles	Amended Articles
Adding a new chapter as: Chapter 15 Party Organization		
28.	—	**Adding a new article as Article 229:** The Company shall set up the CPC Party Committee of China Communications Construction Company Limited (hereinafter referred to as the "Party Committee"). The Party Committee shall consist of one secretary and certain other members. The Chairman of the Board and the secretary to the Party Committee shall be held by the same individual in principle and the Company shall appoint a deputy secretary who shall be mainly responsible for Party construction. Eligible Party members may join the Board, Supervisory Committee and management through statutory procedures. Eligible Party members in the Board, Supervisory Committee and management may join the Party Committee in accordance with relevant requirements and procedures. Based on the working needs, the Party Committee of the Company shall set up a standing party committee (hereinafter referred to as the "Standing Party Committee") in accordance with relevant rules. Meanwhile, the Company shall set up a discipline committee according to relevant requirements, which shall consist of one secretary and certain other members.
29.	—	**Adding a new article as Article 230:** The Company shall ensure the drawing of plans on Party building, establish Party organization and working bodies, equip responsible members for Party organization and relevant personnel for Party-related affairs and commence Party construction works amid the reform of the Company so as to achieve the interconnection of mechanisms, policies, systems and works.

No.	Original Articles	Amended Articles
30.	—	**Adding a new article as Article 231:** The Party Committee of the Company shall perform its duties pursuant to the Party Constitution, the Working Rules for the CPC Party Group and other regulations of the Party. (1) To ensure and supervise the effective implementation of directions and policies of the Party and the state as well as the execution of material strategic decisions of the Party Central Committee and the State Council and the arrangement on relevant material works of the Party Committee of the SASAC and Party organization of higher levels in the Company; (2) To strengthen the leadership and gate keeping role in the process of selection and appointment of personnel and adhere to the principle of the Party exercising leadership over the cadres, the principle of the legitimate selection of operators by the Board, and the exercise of power as regards the right of cadres' appointment by the operators in accordance with laws. The Party Committee shall deliberate and give opinions on the proposed candidates nominated by the Board or the president or recommend candidates to be nominated to the Board or the president as well as assess the proposed candidates and give opinions collectively upon inspection over such candidates with the Board;

No.	Original Articles	Amended Articles
		(3) To study and discuss reform, development and stability of the Company, and substantial matters on operation and management decided by the Company as well as material issues relating to the interests of the Company's staff, and provide advices and recommendations in this regard. To support the general meeting, the Board, the Supervisory Committee and the management in performing their duties according to laws and support the congress of employee representatives in carrying out its work; (4) To assume full responsibility for enforcing strict discipline of the Party. To lead the Company's ideological and political work, united front work, creation of spiritual civilization, creation of corporate culture as well as mass organizations such as the labour union and the Communist Youth League. To play a leading role in the construction of the Party's working style and a clean and honest government, and support the disciplinary committee in fulfilling its responsibility of supervision in practice; (5) To strengthen the building of the Company's primary Party organization and ranks of Party members, to give full play to the role of Party branches as militant bastions and to the role of Party members as vanguard and exemplar, to unite and lead cadres and employees to devote themselves into the reform and development of the Company; (6) Other material matters that fall within the scope of duties of the Party Committee.

No.	Original Articles	Amended Articles
31.	—	**Adding a new article as Article 232:** The Party Committee shall formulate the relevant working rules and rules of procedures to have detailed requirements on the working rules for the Party Committee as well as the contents and decision-making procedures for the Standing Party Committee of the Company in order to ensure the work quality and efficiency of the Party Committee and Standing Party Committee of the Company, improve and complete the system and mechanism for the Party Committee's participating in the decision making process on major issues and give full play to the core role of the Party Committee of the Company.
Chapter 17 Engagement of Accounting Firms		
32.	—	**Adding a new article as Article 258:** The engagement of an accounting firm by the Company shall be determined at a shareholders' general meeting, and the Board shall not engage an accounting firm before any resolution adopted at a shareholders' general meeting.
Chapter 20 Amendments to Articles of Association		
33.	—	**Adding a new article as Article 288:** Information on the amendments to the Articles of Association shall be disclosed as required by the laws and regulations and shall be announced in accordance with the rules.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and Short Positions of Directors, Supervisors and Chief Executives

As at the Latest Practicable Date, none of the Directors, Supervisors and chief executives of the Company and their respective associates had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which was (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest and short position which any such Director, Supervisor, chief executive or member of senior management was taken or deemed to have under such provisions of the SFO); (b) required to be recorded in the register of interests required to be kept by the Company pursuant to section 352 of the SFO; or (c) otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Hong Kong Listing Rules in force as at the Latest Practicable Date.

Mr. Liu Qitao and Mr. Chen Fenjian act as the Directors of the Company. Mr. Liu Qitao concurrently acts as the chairman of the board of directors of CCCG and Mr. Chen Fenjian concurrently acts as the vice chairman of the board of directors and the general manager of CCCG. Mr. Zhen Shaohua acts as the chairman of the Supervisory Committee of the Company, and he concurrently serves as the deputy general manager of CCCG. Mr. Wang Yongbin acts as a Supervisor and the general manager of the auditing department of the Company, and he concurrently serves as a staff representative supervisor of CCCG.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective close associates (as defined in the Hong Kong Listing Rules) was interested in any business (apart from the Group's business) which competes or is likely to compete either directly or indirectly with the Group's business (as would be required to be disclosed under Rule 8.10 of the Hong Kong Listing Rules as if each of them were a controlling Shareholder).

4. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors or Supervisors had any interest in any assets which have been, since 31 December 2016 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested in any contract or arrangement, subsisting at the date of this circular, which is significant in relation to the business of the Group.

5. CONSENT AND QUALIFICATION OF EXPERT

(a) The following is the qualification of the expert who has given an opinion or advice which is contained in this circular:

Name	Qualification
Somerley	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

(b) As at the Latest Practicable Date, the above expert did not have any shareholding directly or indirectly in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and it had no interest, either directly or indirectly, in any assets which have been, since 31 December 2016 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

(c) As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its report and reference to its name and letter, where applicable, in the form and context in which they appear.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or terminable by the employer within a year without payment of any compensation (other than statutory compensation)).

7. MATERIAL ADVERSE CHANGE

As the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, the date to which the latest published audited consolidated financial statements of the Group were made up.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Room 2805, 28th Floor Convention Plaza Office Tower 1 Harbour Road, Wanchai, Hong Kong during normal business hours on any weekday (except public holidays) from the date of this circular up to and including the date of the EGM:

(a) the letter from the Independent Board Committee, the text of which is set out in this circular;

(b) the letter from Somerley, the text of which is set out in this circular; and

(c) the written consent of Somerley as referred to in this appendix.