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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Communications Construction Company Limited, you should at once hand this circular and the accompanying form of proxy and reply slip 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.

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中國交通建設股份有限公司

**CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED**

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

**(Stock Code: 1800)**

**CIRCULAR FOR EXTRAORDINARY GENERAL MEETING:  
PROPOSED REVISIONS OF THE CAPS UNDER CERTAIN EXISTING  
ORDINARY RELATED PARTY TRANSACTION AGREEMENTS;  
PROPOSED ENTERING INTO ORDINARY RELATED PARTY  
TRANSACTION AGREEMENTS FOR THE THREE YEARS OF 2019 TO 2021;  
DISCLOSEABLE TRANSACTIONS AND CONTINUING CONNECTED  
TRANSACTIONS: PROPOSED ENTERING INTO THE FINANCE LEASE  
AND COMMERCIAL FACTORING FRAMEWORK AGREEMENT; AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening the EGM of the Company to be held at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC at 2:00 p.m. on Tuesday, 20 November 2018 is set out on pages 15 to 17 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon. If you intend to attend the EGM, you are required to complete and return the reply slip to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, on or before Tuesday, 30 October 2018.

Completion and return of the 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.

28 September 2018

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following terms shall have the following meanings:*

“Board”	the board of directors of the Company
“CCCC Financial Leasing”	CCCC Financial Leasing Co., Ltd. (中交建融租賃有限公司), a limited liability company incorporated under the laws of the PRC
“CCCC Finance”	CCCC Finance Company Limited (中交財務有限公司), a limited liability company incorporated under the laws of the PRC
“CCCCG”	China Communications Construction Group (Limited), a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company
“CCCCG Group”	CCCCG and its subsidiaries, excluding the Company and its subsidiaries
“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 Shanghai Stock Exchange under the stock code 601800
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the 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 20 November 2018
“Existing Financial Services Agreement	the financial services agreement entered into between CCCC Finance and CCCG on 29 March 2018, as amended by the supplemental agreement on 28 August 2018
“Existing Finance Lease Framework Agreement”	the finance lease framework agreement entered into between CCCC Financial Leasing and CCCG on 29 March 2018, as amended by the supplemental agreement on 28 August 2018
“Financial Services Agreement	the financial services agreement entered into between CCCC Finance and CCCG on 29 August 2018

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## DEFINITIONS

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“Finance Lease and Commercial Factoring Agreement”	the finance lease and commercial factoring agreement entered into between CCCC Financial Leasing and CCCG on 29 August 2018
“Finance Lease and Commercial Factoring Framework Agreement”	the finance lease and commercial factoring framework agreement entered into between the Company and CCCC Financial Leasing on 29 August 2018
“Group”	the Company and its subsidiaries
“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
“Latest Practicable Date”	20 September 2018, being the latest practicable date for ascertaining certain information included herein before the printing of this circular
“Mutual Product Sales and Purchase Agreement”	the mutual product sales and purchase agreement entered between the Company and CCCG on 29 August 2018
“Mutual Project Contracting Framework Agreement”	the mutual project contracting framework agreement entered into between the Company and CCCG on 29 August 2018
“PBOC”	the People’s Bank of China
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
“Shareholder(s)”	the shareholder(s) of the Company

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## LETTER FROM THE BOARD

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中國交通建設股份有限公司  
**CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED**  
*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 1800)**

*Executive Directors*

LIU Qitao  
FU Junyuan  
CHEN Yun

*Non-executive Directors*

LIU Maoxun  
QI Xiaofei

*Independent non-executive Directors*

HUANG Long  
ZHENG Changhong  
NGAI Wai Fung

*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

28 September 2018

*To the Shareholders,*

Dear Sir or Madam,

**CIRCULAR FOR EXTRAORDINARY GENERAL MEETING:  
PROPOSED REVISIONS OF THE CAPS UNDER CERTAIN EXISTING  
ORDINARY RELATED PARTY TRANSACTION AGREEMENTS;  
PROPOSED ENTERING INTO ORDINARY RELATED PARTY  
TRANSACTION AGREEMENTS FOR THE THREE YEARS OF 2019 TO 2021;  
DISCLOSEABLE TRANSACTIONS AND CONTINUING CONNECTED  
TRANSACTIONS: PROPOSED ENTERING INTO THE FINANCE LEASE  
AND COMMERCIAL FACTORING FRAMEWORK AGREEMENT; AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**I. INTRODUCTION**

References are made to the announcements of the Company dated 28 August 2018 and 29 August 2018 in relation to (i) the revisions of the caps under the Existing Financial Services Agreement and the Existing Finance Lease Framework Agreement; (ii) the entering into of the Financial Services Agreement, the Finance Lease and Commercial Factoring Agreement, the Mutual Product Sales and Purchase Agreement and the Mutual Project Contracting Framework Agreement with CCCG; and (iii) the entering into of the Finance Lease and Commercial Factoring Framework Agreement with CCCC Financial Leasing.

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## LETTER FROM THE BOARD

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The purpose of this circular is to give you the notice of the EGM and to provide you with all the necessary information on (i) the proposed entering into of the supplemental agreement of the Existing Financial Services Agreement and the revised cap thereunder; (ii) the proposed entering into of the supplemental agreement of the Existing Finance Lease Framework Agreement and the revised cap thereunder; (iii) the proposed entering into of the Financial Services Agreement and the proposed annual caps thereunder; (iv) the proposed entering into of the Finance Lease and Commercial Factoring Agreement and the proposed annual caps thereunder; (v) the proposed entering into of the Mutual Product Sales and Purchase Agreement and the proposed annual caps thereunder; (vi) the proposed entering into of the Mutual Project Contracting Framework Agreement and the proposed annual caps thereunder; and (vii) the proposed entering into of the Finance Lease and Commercial Factoring Framework Agreement and the proposed annual caps thereunder in order to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

### **II. PROPOSED REVISIONS OF THE CAPS UNDER CERTAIN EXISTING ORDINARY RELATED PARTY TRANSACTION AGREEMENTS**

Reference is made to the announcement of the Company dated 28 August 2018 in relation to (i) the revision of the cap under the Existing Financial Services Agreement; and (ii) the revision of the cap under the Existing Finance Lease Framework Agreement. As disclosed in the abovementioned announcement, the transactions under the above agreements constitute continuing connected transactions of the Company under the Hong Kong Listing Rules. Based on the increase in deposits of CCCG Group with CCC Finance and its normal business needs, and subject to the condition that the daily balance of loans provided by CCC Finance to CCCG Group (including the interests accrued thereon) shall not exceed 75% of the average daily balance of deposits of CCCG Group with CCC Finance, the Board estimates that the maximum daily balance of loans provided by CCC Finance to CCCG Group (including the interests accrued thereon) will probably exceed the existing maximum daily loan balance (including the interests thereon) for the period ending 31 December 2018. Therefore, on 28 August 2018, CCC Finance entered into the supplemental agreement of the Existing Financial Services Agreement with CCCG to revise the existing maximum daily loan balance (including the interests thereon) under the Existing Financial Services Agreement from RMB730 million to RMB1,043 million. Under the business development needs of CCC Financial Leasing, the Board also estimates that the aggregate amount of the finance lease provided by CCC Financial Leasing to CCCG Group will probably exceed the existing cap for aggregate amount of the finance lease for the period ending 31 December 2018. Therefore, on 28 August 2018, CCC Financial Leasing entered into the supplemental agreement of the Existing Finance Lease Framework Agreement with CCCG to revise the existing cap for aggregate amount of the finance lease under the Existing Finance Lease Framework Agreement from RMB2,200 million to RMB3,080 million.

As the highest applicable percentage ratio of the revised maximum daily loan balance (including the interests thereon) under the Existing Financial Services Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Existing Financial Services Agreement and the revised maximum daily loan balance (including the interests thereon) are subject to the reporting, announcement and annual review requirements, but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

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## LETTER FROM THE BOARD

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As the highest applicable percentage ratio of the revised cap for aggregate amount of the finance lease under the Existing Finance Lease Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Existing Finance Lease Framework Agreement and the revised cap for aggregate amount of the finance lease are subject to the reporting, announcement and annual review requirements, but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

The Directors, including the independent non-executive Directors, having made all reasonable and due inquiries, are of the view that the Existing Financial Services Agreement and the Existing Finance Lease Framework Agreement are entered into on normal commercial terms in the ordinary or usual course of business of the Company, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors, including the independent non-executive Directors, are also of the view that the terms and revised caps of the transactions under such agreements are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Although the abovementioned agreements and the transactions contemplated thereunder are exempt from the independent Shareholder's approval requirement under the Hong Kong Listing Rules, such transactions shall be subject to the approval by the Shareholders at the general meeting of the Company pursuant to Shanghai Listing Rules.

Two ordinary resolutions will be proposed at the EGM to consider and approve each of (i) the supplemental agreement of the Existing Financial Services Agreement; and (ii) the supplemental agreement of the Existing Finance Lease Framework Agreement, and the revised cap thereunder, respectively.

### A. Revision of the Cap under the Existing Financial Services Agreement

Details of the revision is set out as below:

	<i>RMB million</i>		
<b>Transaction</b>	<b>Actual maximum daily loan balance (including the interests accrued thereon) for the period ended 30 June 2018</b>	<b>Original maximum daily loan balance (including the interests accrued thereon) for the period ending 31 December 2018</b>	<b>Revised maximum daily loan balance (including the interests accrued thereon) for the period ending 31 December 2018</b>
The loan services provided by CCCG Finance to CCCG Group	405	730	1,043

Save as disclosed above, all the existing principal terms of the Existing Financial Services Agreement remain unchanged.

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## LETTER FROM THE BOARD

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### B. Revision of the Cap under the Existing Finance Lease Framework Agreement

Details of the revision is set out as below:

<b>Transaction</b>	<b>Actual aggregate amount of the finance lease for the period ended 30 June 2018</b>	<b>Original aggregate amount of the finance lease for the period ending 31 December 2018</b>	<b><i>RMB million</i> Revised aggregate amount of the finance lease for the period ending 31 December 2018</b>
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The finance lease services

provided by CCCC

Financial Leasing to

CCCG Group

1,288

2,200

3,080

Save as disclosed above, all the existing principal terms of the Existing Finance Lease Framework Agreement remain unchanged.

### III. PROPOSED ENTERING INTO ORDINARY RELATED PARTY TRANSACTION AGREEMENTS FOR THE THREE YEARS OF 2019 TO 2021

Reference is made to the announcement of the Company dated 29 August 2018 in relation to, among others, (i) the entering into of the Financial Services Agreement; (ii) the entering into of the Finance Lease and Commercial Factoring Agreement; (iii) the entering into of the Mutual Product Sales and Purchase Agreement; and (iv) the entering into of the Mutual Project Contracting Framework Agreement. As disclosed in the abovementioned announcement, the transactions under the above agreements constitute continuing connected transactions of the Company under the Hong Kong Listing Rules. The Board estimates that under the Financial Services Agreement: (i) the interests to be received by the Group from CCCG Group for the provision of deposit services for the three years ending 31 December 2021 will amount to RMB100 million, RMB110 million and RMB120 million, respectively; and (ii) the daily maximum balance of loans provided by CCCC Finance to CCCG Group (including the interests accrued thereon) for the three years ending 31 December 2021 will amount to RMB1,200 million, RMB1,356 million and RMB1,565 million, respectively; under the Finance Lease and Commercial Factoring Agreement: (i) the aggregate amount of the finance lease services provided by CCCC Financial Leasing to CCCG Group for the three years ending 31 December 2021 will amount to RMB3,750 million, RMB5,000 million and RMB6,000 million, respectively; and (ii) the aggregate amount of the commercial factoring services provided by CCCC Financial Leasing to CCCG Group for the three years ending 31 December 2021 will amount to RMB3,750 million, RMB5,000 million and RMB6,000 million, respectively; under the Mutual Product Sales and Purchase Agreement: (i) the annual caps for the amounts to be received by the Group from CCCG Group for the three years ending 31 December 2021 will amount to RMB330 million, RMB360 million and RMB400 million, respectively; (ii) the annual caps for the amounts to be paid by the Group to CCCG Group for the three years ending 31 December 2021 will amount to RMB3,000 million, RMB3,500 million and RMB4,000 million, respectively; and under the Mutual Project Contracting Framework Agreement: (i) the annual caps for the amounts to be received by the Group from CCCG Group for the three years ending 31



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## LETTER FROM THE BOARD

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December 2021 will amount to RMB3,000 million, RMB3,500 million and RMB4,000 million, respectively; (ii) the annual caps for the amounts to be paid by the Group to CCCG Group for the three years ending 31 December 2021 will amount to RMB115 million, RMB130 million and RMB150 million, respectively.

The provision of deposit services by CCCC Finance to CCCG Group is to be made on normal commercial terms or more favourable terms which are in the Group's interests, and no assets of the Group are to be pledged as security for such deposit services in favour of CCCG Group. Therefore, pursuant to Rule 14A.90 of the Hong Kong Listing Rules, the provision of deposit services by CCCC Finance to CCCG Group under the Financial Services Agreement is exempt from the announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the proposed annual caps for the transactions contemplated under (i) the Financial Services Agreement (for the loan services only); (ii) the Finance Lease and Commercial Factoring Agreement; (iii) the Mutual Product Sales and Purchase Agreement; and (iv) the Mutual Project Contracting Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated thereunder and the proposed annual caps are subject to the reporting, annual review and announcement requirements, but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Although the abovementioned agreements and the transactions contemplated thereunder are exempt from the independent Shareholders' approval requirement under the Hong Kong Listing Rules, such transactions are subject to the approval by the independent Shareholders at the general meeting of the Company pursuant to the Shanghai Listing Rules.

Four ordinary resolutions will be proposed at the EGM to consider and approve each of (i) the Financial Services Agreement; (ii) the Finance Lease and Commercial Factoring Agreement; (iii) the Mutual Product Sales and Purchase Agreement; and (iv) the Mutual Project Contracting Framework Agreement, and the proposed annual caps thereunder, respectively.

### 1. Financial Services Agreement

The principal terms of the Financial Services Agreement are set out as follows:

#### **Date**

29 August 2018

#### **Parties**

- (1) CCCC Finance; and
- (2) CCCG

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## LETTER FROM THE BOARD

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### **Term**

Three years from 1 January 2019 to 31 December 2021

### **Principal Services**

Pursuant to the Financial Services Agreement, CCCC Finance agreed to provide deposit services and loan services to CCCG Group according to the principal terms as below.

#### **(a) *Deposit Services***

CCCC Finance will provide deposit services to CCCG Group. The deposit interest rates shall be determined through negotiation on an arm's length basis between the parties in accordance with market principles for their own interests and in compliance with interest rate requirements of the PBOC on such type of deposits. The cap and floor deposit rates shall be in accordance with requirements of the PBOC on deposits of the same term and same category and shall not be higher than the interest rates applicable to deposit services of the same term and same category provided by major domestic commercial banks.

#### **(b) *Loan Services***

CCCC Finance will provide loans to CCCG Group. The lending interest rates shall be determined through negotiation on an arm's length basis between the parties in accordance with market principles for their own interests and with reference to the benchmark interest rate prescribed by the PBOC for such type of loans. The lending rates shall not be lower than the interest rates applicable to loan services of the same term and same category provided by major domestic commercial banks.

### **2. Finance Lease and Commercial Factoring Agreement**

The principal terms of the Finance Lease and Commercial Factoring Agreement are set out as follows:

### **Date**

29 August 2018

### **Parties**

- (1) CCCC Financial Leasing; and
- (2) CCCG

### **Term**

Three years from 1 January 2019 to 31 December 2021

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## LETTER FROM THE BOARD

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### **Finance Lease**

Pursuant to the Finance Lease and Commercial Factoring Agreement, CCCC Financial Leasing shall provide finance lease services to CCCG Group in respect of the leased assets through direct leasing, operating lease or sale and leaseback arrangements.

(a) *Direct leasing*

Under direct leasing arrangement, CCCC Financial Leasing shall purchase the leased assets from suppliers designated by CCCG Group and then lease such leased assets to CCCG Group in accordance with the terms of the agreements, and will receive rental fees and other miscellaneous fees on a periodic basis. CCCC Financial Leasing shall have the ownership of such leased assets during the lease period. Upon expiry of the lease period, CCCC Financial Leasing shall transfer the ownership of the leased assets to CCCG Group at a nominal consideration.

(b) *Operating lease*

Under operating lease arrangement, CCCC Financial Leasing shall purchase the leased assets from suppliers designated by CCCG Group and then lease such leased assets to CCCG Group in accordance with the terms of the agreements, and will receive rental fees and other miscellaneous fees on a periodic basis. CCCC Financial Leasing shall have the ownership of such leased assets during the lease period. Upon expiry of the lease period, CCCG Group may choose to renew, return or purchase the leased assets.

(c) *Sale and leaseback*

Under sale and leaseback arrangement, CCCC Financial Leasing shall purchase the leased assets from CCCG Group and then lease such leased assets back to CCCG Group in accordance with the terms of the agreements, and will receive rental fees and other miscellaneous fees on a periodic basis. CCCC Financial Leasing shall have the ownership of such leased assets during the lease period. Upon expiry of the lease period, CCCC Financial Leasing shall transfer the ownership of the leased assets to CCCG Group at a nominal consideration.

### **Leased Assets**

The leased assets primarily include engineering equipment and fixtures, hotel equipment and furniture, and equipment for commercial centers, etc.

### **Rental Fees**

The rental fees and other miscellaneous fees payable by CCCG Group to CCCC Financial Leasing with respect to the finance lease services have been determined after arm's length negotiation between the parties with reference to the prevailing market prices for comparable finance lease services, after taking into account various factors, such as finance costs, value of the leased assets, lease period, etc.

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## LETTER FROM THE BOARD

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CCCC Financial Leasing will refer to the quotations for similar services offered to at least two/three independent third parties, so as to ensure that such quotations are not lower than the fees for similar finance lease services provided by CCCC Financial Leasing to other companies or the fees for comparable finance lease services available from other financial leasing companies in the PRC.

### **Commercial Factoring**

Pursuant to the Finance Lease and Commercial Factoring Agreement, CCCC Financial Leasing shall provide commercial factoring services to CCCG Group in respect of receivables through factoring or reverse factoring arrangements.

#### **(a) Factoring**

Under factoring arrangement, CCCG Group shall transfer the receivables under its basic transaction contracts to CCCC Financial Leasing, and CCCC Financial Leasing shall provide commercial factoring services, such as factoring finance, management or collection of receivables to CCCG Group and will receive factoring fees and other miscellaneous fees on a periodic basis from CCCG Group.

#### **(b) Reverse Factoring**

Under reverse factoring arrangement, CCCC Financial Leasing shall grant credit to CCCG Group in respect of its payment obligations for the receivables under the basic transaction contracts, and then the creditors of CCCG Group shall transfer the receivables to CCCC Financial Leasing in line of such credit. CCCC Financial Leasing will also provide the commercial factoring services, such as factoring finance, management or collection of receivables, etc. to the creditors of CCCG Group and will receive factoring fees and other miscellaneous fees on a periodic basis from CCCG Group.

### **Finance Interest**

The finance interests and other miscellaneous fees payable by CCCG Group to CCCC Financial Leasing for commercial factoring services have been determined after arm's length negotiation between the parties with reference to the prevailing market prices for comparable commercial factoring services, after taking into account various factors, such as the benchmark lending rate for loans of relevant grade announced and implemented by the PBOC, finance costs, factoring period, right of recourse, etc.

CCCC Financial Leasing will refer to its quotations for similar services offered to at least two/three independent third parties, so as to ensure that such quotations are not lower than the fees for similar commercial factoring services provided by CCCC Financial Leasing to other companies or the fees for comparable commercial factoring services available from other commercial factoring companies in the PRC.

### **Separate Contracts**

CCCC Financial Leasing and relevant members of CCCG Group will enter into separate implementation contract for each finance lease and commercial factoring. The terms of each

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## LETTER FROM THE BOARD

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implementation contract shall be in line with the terms of the Finance Lease and Commercial Factoring Agreement. Each implementation contract shall be subject to and conditional upon the Finance Lease and Commercial Factoring Agreement continuing to be in force.

### 3. Mutual Product Sales and Purchase Agreement

The principal terms of the Mutual Product Sales and Purchase Agreement are set out as follows:

#### **Date**

29 August 2018

#### **Parties**

- (1) The Company; and
- (2) CCCG

#### **Term**

Three years from 1 January 2019 to 31 December 2021

#### **Description of the transactions**

The Group agreed to sell and CCCG Group agreed to purchase material products, including material and equipment, components, etc.

CCCG Group agreed to sell and the Group agreed to purchase engineering products, including engineering ships (e.g. leveling ship, crane ship, etc.), engineering machines (e.g. shield machines), steel structure products, etc.

#### **Price determination**

The fees receivable by the Group for sales of material products to CCCG Group and the fees payable by the Group for purchase of engineering products from CCCG Group shall be agreed at arm's length negotiation between the parties in the following order:

- (i) If such products are subject to government-prescribed price, their prices are determined by the parties according to government-prescribed price, which represents the price determined in accordance with the laws, regulations, decisions, orders or pricing policies of the relevant government authorities; or

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## LETTER FROM THE BOARD

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- (ii) If such products are not subject to government-prescribed price, their prices are determined by the parties with reference to the market price, which represents (i) the price for sales of or purchase of the same or similar products by the independent third parties located in the same region or adjacent areas on normal commercial terms in the ordinary course of business; or (ii) the price for sales of or purchase of the same or similar products by the independent third parties in the PRC on normal commercial terms in the ordinary course of business; or
- (iii) If such products are not subject to government-prescribed price and market price, their prices are determined by the parties with reference to the cost price, which represents (i) the fees incurred for sales of or purchase of products by the parties; and (ii) the fees incurred for sales of or purchase of products by one party to or from the third parties and additional fees incurred for transfer of such products to the other party.

#### 4. Mutual Project Contracting Framework Agreement

The principal terms of the Mutual Project Contracting Framework Agreement are set out below:

##### **Date**

29 August 2018

##### **Parties**

- (1) The Company; and
- (2) CCCG

##### **Term**

Three years from 1 January 2019 to 31 December 2021

##### **Description of the transactions**

The Group agreed to provide project contracting services to CCCG Group, which may include (i) provision of construction services for real property development projects that may be undertaken by CCCG Group; and (ii) design, construction, operation, management and dismantlement of temporary supporting facilities.

CCCG Group agreed to provide labour and subcontracting services to the Group for its construction projects, which may include (i) provision of labour services; (ii) provision of subcontracting services for those construction projects that may be undertaken by the Group; and (iii) consultancy and management services that may be required for the development of real property projects.

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## LETTER FROM THE BOARD

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### Price determination

The fees payable by CCCG Group for the project contracting services provided by the Group shall be arrived at arm's length negotiation between the parties with reference to and taking into account the factors set out below:

- (i) with reference to the prevailing market prices;
- (ii) after taking into consideration the various aspects of the projects, such as project scale, construction period, technical difficulties and risk factors; and
- (iii) the Group will refer to its quotations for similar services to independent third parties, so as to assess and review whether the services quotations provided by the Group to CCCG Group in accordance with items (i) and (ii) above are fair and reasonable.

The fees received by CCCG Group for the labour and subcontracting services provided to the Group shall be agreed upon by arm's length negotiation between the parties and specified in agreement entered into for each transaction in accordance with the following market-oriented pricing principles:

- (i) The fees proposed by CCCG Group for each future transaction shall be made with reference to its expected costs to be incurred, such as labour costs and management costs. CCCG Group is entitled to charge the service fees with a price at the costs plus gross profit of comparable transactions in the market after taking into account the actual circumstances for each future transaction; and
- (ii) The Group will seek fee quotes for similar services from two independent third parties on a quarterly basis in the market in order to assess and review the fairness and reasonableness of the quotes for the services proposed by CCCG Group in accordance with item (i) above.

### **IV. DISCLOSEABLE TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS: PROPOSED ENTERING INTO THE FINANCE LEASE AND COMMERCIAL FACTORING FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 29 August 2018 in relation to, among others, the entering into of the Finance Lease and Commercial Factoring Framework Agreement between the Company and CCC Financial Leasing and the proposed annual caps thereunder.

A supplemental circular containing, among others, details of this transaction, a letter from the independent Board committee and a letter from the independent financial adviser, is expected to be despatched to Shareholders on or before 30 October 2018.

### **V. RECOMMENDATION**

The Board has passed the relevant resolutions to be submitted to the Shareholders for consideration and approval. At such board meeting, Mr. Liu Qitao, the Director of the Company, is

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## LETTER FROM THE BOARD

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also a director of CCCG, and therefore is deemed to have a material interest in the abovementioned transactions and has abstained from voting on the relevant Board resolutions. Save for Mr. Liu Qitao, none of the other Directors has or is deemed to have a material interest in the abovementioned transactions.

The Board considers that the aforementioned resolutions 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.

### VI. THE EGM

A notice convening the EGM of the Company to be held at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC at 2:00 p.m. on Tuesday, 20 November 2018 is set out on pages 15 to 17 of this circular.

CCCG, which holds approximately 59.91% interests in the issued ordinary shares of the Company as at the Latest Practicable Date, shall abstain from voting on the resolutions approving the abovementioned agreements and the proposed annual caps thereunder at the EGM. Saved as mentioned above, to the best of the Directors' knowledge, information and belief, none of the other Shareholders has any material interest in the transactions under the abovementioned agreements and therefore will be required to abstain from voting on the relevant resolutions at the EGM.

Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon. If you intend to attend the EGM, you are required to complete and return the reply slip to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, on or before Tuesday, 30 October 2018. Completion and return of the 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.

Any vote of the Shareholders at the EGM shall be taken by poll unless otherwise required by the Hong Kong Listing Rules. For purpose of ascertaining Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 22 October 2018 to Tuesday, 20 November 2018 (both days inclusive), during which time no share transfers will be registered. Instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 19 October 2018. Shareholders of the Company whose names appear on the register of members of the Company at the opening of business on Tuesday, 20 November 2018 are entitled to attend the EGM.

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



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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中國交通建設股份有限公司  
**CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED**  
*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 1800)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the EGM of China Communications Construction Company Limited (the “**Company**”) will be held at CCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC at 2:00 p.m. on Tuesday, 20 November 2018 for the purpose of considering and, if thought fit, passing the following resolutions (unless otherwise specified, terms used in this notice have the same meanings as defined in the circular of the Company dated 28 September 2018):

#### **As Ordinary Resolutions**

1. To consider and approve the resolution in relation to the proposed entering into of the supplemental agreement of the Existing Financial Services Agreement between CCC Finance and CCCG, and the revised cap thereunder;
2. To consider and approve the resolution in relation to the proposed entering into of the supplemental agreement of the Existing Finance Lease Framework Agreement between CCC Financial Leasing and CCCG, and the revised cap thereunder;
3. To consider and approve the resolution in relation to the proposed entering into of the Financial Services Agreement between CCC Finance and CCCG, and the proposed annual caps thereunder;
4. To consider and approve the resolution in relation to the proposed entering into of the Finance Lease and Commercial Factoring Agreement between CCC Financial Leasing and CCCG, and the proposed annual caps thereunder;
5. To consider and approve the resolution in relation to the proposed entering into of the Mutual Product Sales and Purchase Agreement between the Company and CCCG, and the proposed annual caps thereunder;

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6. To consider and approve the resolution in relation to the proposed entering into of the Mutual Project Contracting Framework Agreement between the Company and CCCG, and the proposed annual caps thereunder; and
7. To consider and approve the resolution in relation to the proposed entering into of the Finance Lease and Commercial Factoring Framework Agreement between the Company and CCCC Financial Leasing, and the proposed annual caps thereunder.

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

Beijing, the PRC  
28 September 2018

*As at the date of this notice, the Directors are LIU Qitao, FU Junyuan, CHEN Yun, LIU Maoxun, QI Xiaofei, HUANG Long #, ZHENG Changhong# and NGAI Wai Fung#.*

*# Independent non-executive Director*

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*Notes:*

### **1. CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY FOR ATTENDING THE EGM**

For purpose of ascertaining shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 22 October 2018 to Tuesday, 20 November 2018 (both days inclusive), during which time no share transfers will be registered. Instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 19 October 2018. Shareholders of the Company whose names appear on the register of members of the Company at the opening of business on Tuesday, 20 November 2018 are entitled to attend the EGM.

### **2. NOTICE OF ATTENDANCE**

Holders of H shares who intend to attend the EGM should complete and lodge the accompanying reply slip and return it to the Company's H share registrar on or before Tuesday, 30 October 2018. The reply slip may be delivered by hand, by post or by fax to the Company's H share registrar. Completion and return of the reply slip will not affect the right of a shareholder to attend the EGM. However, the failure to return the reply slip may result in an adjournment of the EGM, if the number of shares carrying the right to vote represented by the shareholders proposing to attend the EGM by the reply slip does not reach more than half of the total number of shares of the Company carrying the right to vote at the EGM.

### **3. PROXY**

Every shareholder who has the right to attend and vote at the EGM is entitled to appoint one or more proxies, whether or not they are members of the Company, to attend and vote on his behalf at the EGM.

A proxy shall be appointed by an instrument in writing. Such instrument shall be signed by the appointer or his attorney duly authorized in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorized in writing. The instrument appointing the proxy shall be deposited at the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof (i.e. before 2:00 p.m. on Monday, 19 November 2018). If the instrument appointing the proxy is signed by a person authorized by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarized. The notarized power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H share registrar. Return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the EGM if he so wishes.

If more than one proxy is appointed, such proxies shall only be entitled to vote by poll.

Shareholders or their proxies are required to produce their identification documents when attending the EGM.

### **4. OTHERS**

The EGM is expected to last for around one hour. Shareholders and their proxies attending the meeting shall be responsible for their own travelling and accommodation expenses.