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**中國交通建設股份有限公司**  
**CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED**

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

**(Stock Code: 1800)**

**ANNOUNCEMENT**  
**CONTINUING CONNECTED TRANSACTIONS WITH CCCG**  
**ENTERING INTO THE LEASING FRAMEWORK AGREEMENT**

On 30 December 2020, the Company and CCCG entered into the Leasing Framework Agreement, pursuant to which, CCCG Group agreed to lease the Leased Assets to the Group from 1 January 2021 to 31 December 2021 for the Group's operation and office use.

As at the date of this announcement, CCCG is the controlling Shareholder of the Company holding approximately 57.99% interests in the issued ordinary shares of the Company, and is therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the Leasing Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the proposed annual cap under the Leasing Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Leasing Framework Agreement and the proposed annual cap 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.

## **BACKGROUND**

On 30 December 2020, the Company and CCCG entered into the Leasing Framework Agreement, pursuant to which, CCCG Group agreed to lease the Leased Assets to the Group from 1 January 2021 to 31 December 2021 for the Group's operation and office use.

## **LEASING FRAMEWORK AGREEMENT**

The principal terms of the Leasing Framework Agreement are set out below:

### **Date**

30 December 2020

### **Parties**

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

### **Term**

From 1 January 2021 to 31 December 2021

### **Description of the Transaction**

CCCG Group agreed to lease the Leased Assets to the Group for its operation and office use. The Leased Assets mainly include certain buildings and plants, auxiliary facilities and equipment for production and operation and other products owned by CCCG.

### **Price Determination**

The fees receivable by CCCG Group for leasing the Leased Assets to the Group shall be determined at arm's length negotiation between the parties considering the factors set out below:

- (1) with reference to the prevailing market prices;
- (2) price quotations for assets similar to the Leased Assets offered by CCCG Group to independent third parties;

- (3) after taking comprehensive consideration of the relevant aspects of the properties, such as gross floor area, decoration facilities, geographical location, etc.; and
- (4) the Group will seek quotations for assets similar to the Leased Assets from two independent third parties on an annual basis in the market or conduct market research on the rental prices of nearby properties (for buildings and plants) in order to assess and review the fairness and reasonableness of the quotations proposed by CCCG Group with reference to items (1), (2) and (3) above.

Further, fees payable for the above leasing and regular reports will be submitted to the independent non-executive Directors of the Company for their annual review on the pricing, so as to ensure their fairness and reasonableness. The Directors of the Company consider that such methods and procedures can ensure that the transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company or its Shareholders.

### **Separate Contracts**

In respect of each lease, the Group and the relevant members of CCCG Group will enter into separate contract(s). The terms of each contract will be in line with the terms of the Leasing Framework Agreement and shall be enforceable if and only if the Leasing Framework Agreement continues to be effective.

### **HISTORICAL AMOUNTS**

Set out below are the rents received by CCCG Group for leasing of the Leased Assets to the Group for the two years ended 31 December 2019 and the six months ended 30 June 2020:

<b>Transaction</b>	<b>Actual amount for the year ended 31 December 2018 <i>RMB million</i></b>	<b>Actual amount for the year ended 31 December 2019 <i>RMB million</i></b>	<b>Actual amount for the six months ended 30 June 2020 <i>RMB million</i></b>
Leasing of the Leased Assets by CCCG Group to the Group	108	171	91

## **PROPOSED ANNUAL CAP AND BASIS FOR DETERMINATION**

After taking account of the following factors, the Company estimates that the proposed annual cap for the year ending 31 December 2021 on the rent to be received by CCCG Group for leasing of the Leased Assets to the Group pursuant to the Leasing Framework Agreement will be RMB320 million: (i) the prevailing prices of the Leased Assets and the future growth of rent; (ii) the demand of the Group for leasing of the Leased Assets owned by CCCG Group; and (iii) the actual rents received by CCCG Group for leasing of the Leased Assets to the Group for the two years ended 31 December 2019 and the six months ended 30 June 2020.

## **REASONS AND BENEFITS**

Over the years, the Company has been leasing the office building “中交大厦” owned by CCCG as its office and other properties and auxiliary facilities situated at several locations owned by CCCG for its production and operation. Relocation of the Company’s current places of operation and offices to other locations will result in unnecessary costs. In addition, for the operation of principal businesses, the Company needs to lease products auxiliary to production and operation such as engineering ships and machine. The aforesaid transactions are necessary for the Group’s production and operation. Compared with independent third parties, CCCG has more understanding of the Company’s business requirement, and the Company also can benefit from CCCG’s relatively competitive offers, which facilitates the Company’s business development and therefore helps to realise the interests of the Company and its Shareholders as a whole.

## **HONG KONG LISTING RULES IMPLICATIONS**

As at the date of this announcement, CCCG is the controlling Shareholder of the Company holding approximately 57.99% interests in the issued ordinary shares of the Company, and is therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the Leasing Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the proposed annual cap under the Leasing Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Leasing Framework Agreement and the proposed annual cap 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.

## **CONFIRMATION BY THE DIRECTORS**

Mr. WANG Tongzhou and Mr. LIU Maoxun, the Directors of the Company, are also directors of CCCG, and therefore are deemed to have a material interest in the above-mentioned continuing connected transactions and have abstained from voting on the relevant Board resolution. Save for the said Directors, none of the other Directors has or is deemed to have a material interest in the above-mentioned transactions.

The Directors, including the independent non-executive Directors, having made all reasonable and due inquiries, are of the view that the Leasing Framework Agreement and the transactions contemplated thereunder are entered into on normal commercial terms in the ordinary and usual course of business of the Company respectively, are fair and reasonable and are 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 the proposed annual cap of the transactions thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **BACKGROUND AND GENERAL INFORMATION OF THE PARTIES**

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

CCCG is a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company holding approximately 57.99% interests in the issued ordinary shares of the Company as at the date of this announcement. CCCG is primarily engaged in real estate development and property management, shipbuilding, ship chartering and maintenance, ocean engineering, technical consultation services for ships and corollary equipment of harbours, import and export business, investment in and management of transportation industry, and other businesses.

## DEFINITIONS

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

“Board”	the board of directors of the Company
“CCCG”	China Communications Construction Group (Limited) (中國交通建設集團有限公司), a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company
“CCCG Group”	CCCG and its subsidiaries, excluding the Group
“Company”	China Communications Construction Company Limited, a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on The Stock Exchange of Hong Kong Limited under stock code 1800 and the A shares of which are listed on the Shanghai Stock Exchange under stock code 601800
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Leased Assets”	assets specified in the Leasing Framework Agreement, including buildings, plants, auxiliary facilities and equipment for production and operation and other products
“Leasing Framework Agreement”	the leasing and asset management services framework agreement entered into between the Company and CCCG on 30 December 2020

“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“%”	percent

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

Beijing, the PRC

30 December 2020

*As at the date of this announcement, the Directors of the Company are WANG Tongzhou, LIU Maoxun, HUANG Long<sup>#</sup>, ZHENG Changhong<sup>#</sup> and NGAI Wai Fung<sup>#</sup>.*

<sup>#</sup> *Independent non-executive Director*