

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 TRANSACTION WITH CCCC HAIFENG:
RENEWAL OF THE LABOR SUBCONTRACTING AND
PROFESSIONAL SUBCONTRACTING FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 30 October 2023, in relation to, among others, the Original Labor Subcontracting and Professional Subcontracting Framework Agreement entered into between the Company and CCCC Haifeng, pursuant to which the Group provided the labor subcontracting and professional subcontracting services to CCCC Haifeng during the period ended 31 December 2023. In order to renew the transaction under the Original Labor Subcontracting and Professional Subcontracting Framework Agreement, on 12 April 2024, the Company and CCCC Haifeng entered into the Labor Subcontracting and Professional Subcontracting Framework Agreement for the period from 12 April 2024 to 31 December 2024.

CCCC Haifeng is a subsidiary of the Company. As at the date of this announcement, CCCG (being the controlling Shareholder of the Company holding approximately 59.41% interests in the issued ordinary shares of the Company) holds 20% interests in CCCC Haifeng through its subsidiary, CCCC Industrial Investment. Therefore, CCCC Haifeng is a connected subsidiary of the Company pursuant to Rule 14A.16 of the Hong Kong Listing Rules. As such, the Labor Subcontracting and Professional Subcontracting Framework Agreement and the transaction contemplated thereunder constitute a continuing connected transaction 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 Labor Subcontracting and Professional Subcontracting Framework Agreement exceeds 0.1% but is less than 5%, the Labor Subcontracting and Professional Subcontracting Framework Agreement and the transaction contemplated thereunder 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

Reference is made to the announcement of the Company dated 30 October 2023, in relation to, among others, the Original Labor Subcontracting and Professional Subcontracting Framework Agreement entered into between the Company and CCCC Haifeng, pursuant to which the Group provided the labor subcontracting and professional subcontracting services to CCCC Haifeng during the period ended 31 December 2023. In order to renew the transaction under the Original Labor Subcontracting and Professional Subcontracting Framework Agreement, on 12 April 2024, the Company and CCCC Haifeng entered into the Labor Subcontracting and Professional Subcontracting Framework Agreement for the period from 12 April 2024 to 31 December 2024.

LABOR SUBCONTRACTING AND PROFESSIONAL SUBCONTRACTING FRAMEWORK AGREEMENT

The principal terms of the Labor Subcontracting and Professional Subcontracting Framework Agreement are set out as follows:

Date

12 April 2024

Parties

- (1) the Company; and
- (2) CCCC Haifeng.

Term

From 12 April 2024 to 31 December 2024.

Description of the Transaction

The Group agreed to provide the labor subcontracting and professional subcontracting services to CCCC Haifeng Group, including the installation as well as the operation and maintenance services for the offshore wind power equipment, which specifically consists of the installation as well as the operation and maintenance of the offshore wind power equipment, the design, construction, operation, management and dismantlement of temporary supporting facilities, together with the consultation and management services and other business.

Price Determination

The fees to be received by the Group for providing labor subcontracting and professional subcontracting services to CCCC Haifeng Group shall be determined at arm's length negotiation between the parties in the following order:

- (i) if relevant services are subject to government-prescribed price, the prices thereof shall be determined by the parties according to such government-prescribed price, which represents the price determined in accordance with the laws, regulations, decisions, orders or pricing policies of relevant government authorities; or
- (ii) if relevant services are not subject to government-prescribed price, the prices thereof shall be determined by the parties with reference to the market price, which represents (a) the price for provision of the same or similar services by the independent third parties located in the same region or adjacent areas on normal commercial terms in the ordinary course of business; if (a) is not applicable, the price for provision of the same or similar services by the independent third parties in the PRC on normal commercial terms in the ordinary course of business; or
- (iii) if relevant services are subject to neither government-prescribed price nor market price, the prices thereof shall be determined by the parties with reference to the cost price plus reasonable profit margin (approximately 5%-8%, depending on the specific circumstances of the project), and the cost price represents (a) the fees incurred by one party for providing such services, such as labor fees or machinery fees, if any, etc.; and (b) the fees incurred by one party for receiving such services from third parties together with the additional fees arising from transferring such services to the other party.

The Group will assess and review the fairness and reasonableness of the quotations made by the Group to CCCC Haifeng Group for the services under the Labor Subcontracting and Professional Subcontracting Framework Agreement with reference to the quotations made to three independent third parties for similar services.

The abovementioned fees for the labor subcontracting and professional subcontracting services and relevant periodic reports will be submitted to the independent non-executive Directors for their annual review on the pricing so as to ensure its fairness and reasonableness. The Directors consider such methods and procedures can ensure that the transaction will be conducted on normal commercial terms and will not prejudice the interests of the Company and its Shareholders.

Payment

The specific payment terms (including time and method of payment) for providing the labor subcontracting and professional subcontracting services by the Group to CCCC Haifeng Group will be agreed by the parties in the individual agreements to be entered into by them, with reference to the payment terms of similar transactions in the market and the payment terms offered by the Group to independent third parties.

Historical Amounts

For the period ended 31 December 2023, a comparison of the cap for the fees charged by the Group for the provision of labor subcontracting and professional subcontracting services to CCCC Haifeng Group and the actual amount incurred were set out as below:

Transaction	The cap for the period ended 31 December 2023 <i>(RMB million)</i>	Actual amount for the period ended 31 December 2023 <i>(RMB million)</i>	Historical utilisation rate <i>(%)</i>
Labor subcontracting and professional subcontracting services provided by the Group to CCCC Haifeng Group	<u>122.75</u>	<u>102</u>	<u>83.10</u>

Proposed Annual Cap and Basis of Determination

The proposed annual cap for the fees charged by the Group for the provision of labor subcontracting and professional subcontracting services to CCCC Haifeng Group for the period ending 31 December 2024 is RMB210 million.

In estimating the proposed annual cap under the Labor Subcontracting and Professional Subcontracting Framework Agreement, the Company has mainly considered the following factors: (i) historical amounts for the period ended 31 December 2023; (ii) the prevailing market prices for service fees charged for the same labor subcontracting and professional subcontracting; (iii) the construction plan of CCCC Haifeng Group and its demand for labor subcontracting and professional subcontracting services in 2024, and it is expected to recognize labor subcontracting and professional subcontracting service fees of approximately RMB189 million from existing projects and currently foreseeable potential projects, including projects in Shapa and other sea areas (with service fees of approximately RMB7 million) and projects in Yangjiang, Jieyang, Zhuhai, Shandong and other sea areas (with service fees of approximately RMB182 million); (iv) current capacity of the Group; and (v) the provision of a small buffer for CCCC Haifeng Group's unexpected growth in demand for labor subcontracting and professional subcontracting services provided by the Group.

If the Labor Subcontracting and Professional Subcontracting Framework Agreement is renewed after the expiry of its term as agreed between the parties, the Company will fulfill its further disclosure obligations in a timely manner pursuant to the applicable requirements of the Hong Kong Listing Rules (if necessary).

The Company confirms that, from 1 January 2024 to the date of this announcement, the actual fees charged by the Group for the provision of labor subcontracting and professional subcontracting services to CCCC Haifeng Group fall below the de minimis threshold under the Hong Kong Listing Rules.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group has extensive experience in the offshore wind power field with advanced technology, equipment and service teams. The Group provides installation and operation and maintenance services for the construction and operation of offshore wind power equipment and other projects that may be undertaken by CCCC Haifeng Group. As such projects are within the business scope of CCCC Haifeng Group, and CCCC Haifeng Group is expanding the business volume of such projects, the supporting installation and operation and maintenance services are required. The Directors consider that the provision of labor subcontracting and professional subcontracting services to CCCC Haifeng Group can leverage the Group's strengths in the offshore wind power field, facilitate the stabilisation of the Group's business and benefit the performance of the Group. In addition, the price and terms of the labor subcontracting and professional subcontracting services provided by the Group to CCCC Haifeng Group are neither lower nor unfavourable than those entered into with independent third parties by the Company.

HONG KONG LISTING RULES IMPLICATIONS

CCCC Haifeng is a subsidiary of the Company. As at the date of this announcement, CCCG (being the controlling Shareholder of the Company holding approximately 59.41% interests in the issued ordinary shares of the Company) holds 20% interests in CCCC Haifeng through its subsidiary, CCCC Industrial Investment. Therefore, CCCC Haifeng is a connected subsidiary of the Company pursuant to Rule 14A.16 of the Hong Kong Listing Rules. As such, the Labor Subcontracting and Professional Subcontracting Framework Agreement and the transaction contemplated thereunder constitute a continuing connected transaction 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 Labor Subcontracting and Professional Subcontracting Framework Agreement exceeds 0.1% but is less than 5%, the Labor Subcontracting and Professional Subcontracting Framework Agreement and the transaction contemplated thereunder 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, Mr. WANG Haihuai and Mr. LIU Xiang, being the Directors, are also the directors or senior management of CCCG, and therefore are deemed to have material interests in the abovementioned continuing connected transaction, and have abstained from voting on the relevant Board resolution. Save for the above Directors, none of the other Directors of the Company has or is deemed to have a material interest in the abovementioned continuing connected transaction.

The Directors (including the independent non-executive Directors), having made all reasonable and due enquiries, are of the view that the abovementioned continuing connected transaction is entered into on normal commercial terms in the ordinary or usual course of business of the Company, is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

GENERAL INFORMATION

(1) The Company

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

(2) CCCC Haifeng

CCCC Haifeng is a subsidiary of the Company incorporated in the PRC, which is mainly engaged in services such as wind power technology, information technology consultation and ship leasing, etc., and the sales of equipment related to offshore wind power, water transport equipment, offshore wind turbines and components. As at the date of this announcement, CCCC Haifeng is owned as to 37% by the Company through its subsidiary, CCCC Third Harbor Engineering Co., Ltd.* (中交第三航務工程局有限公司); as to 20% by CCCG, the controlling Shareholder through its subsidiary, CCCC Industrial Investment; and as to 20%, 10%, 10% and 3% by CTGR (the A shares of which are listed on the Shanghai Stock Exchange (stock code:600905)), Datang Power (the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601991), and the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 00991) and the London Stock Exchange (stock code: DAT)), Guohua Investment (wholly-owned by the State Council) and Envision Energy, respectively. Envision Energy is directly held as to 99.99% equity interests by Envision Energy International Limited. To the Company’s best knowledge, Envision Energy is beneficially owned by several shareholders, and only one shareholder, Mr. Zhang Lei (張雷先生), owns more than 30% equity interests and no other shareholders own 10% or more equity interests.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, CTGR, Datang Power, Guohua Investment and Envision Energy and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“Board”	the board of directors of the Company
“CCCC Haifeng”	CCCC Haifeng Wind Power Development Co., Ltd., a joint stock company incorporated in the PRC with limited liability, and a connected subsidiary of the Company as at the date of this announcement
“CCCC Haifeng Group”	CCCC Haifeng and its subsidiaries
“CCCC Industrial Investment”	CCCC Industrial Investment Holding Limited, a wholly-owned subsidiary of CCCG as at the date of this announcement
“CCCG”	China Communications Construction Group (Limited), a wholly state-owned company incorporated on 8 December 2005 in the PRC which currently holds approximately 59.41% equity interests in the Company
“Company”	China Communications Construction Company Limited* (中國交通建設股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Hong Kong Stock Exchange under stock code 1800 and the A shares of which are listed on the Shanghai Stock Exchange under stock code 601800
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CTGR”	China Three Gorges Renewables (Group) Co., Ltd., a joint stock limited company incorporated in the PRC
“Datang Power”	Datang International Power Generation Co., Ltd., a sino-foreign joint stock limited company incorporated in the PRC

“Director(s)”	the director(s) of the Company
“Envision Energy”	Envision Energy Co., Ltd., a company incorporated in the PRC with limited liability
“Group”	the Company and its subsidiaries
“Guohua Investment”	Guohua Energy Investment Co., Ltd., a company incorporated in the PRC with limited liability
“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
“Labor Subcontracting and Professional Subcontracting Framework Agreement”	the labor subcontracting and professional subcontracting framework agreement entered into between the Company and CCCC Haifeng on 12 April 2024
“Original Labor Subcontracting and Professional Subcontracting Framework Agreement”	the labor subcontracting and professional subcontracting framework agreement entered into between the Company and CCCC Haifeng on 30 October 2023
“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

“State Council”

the State Council of the People’s Republic of China

“%”

percent

By Order of the Board
China Communications Construction Company Limited
YU Jingjing
Company Secretary

Beijing, the PRC
12 April 2024

As at the date of this announcement, the Directors of the Company are WANG Tongzhou, WANG Haihuai, LIU Xiang, LIU Hui[#], CHAN Wing Tak Kevin[#], WU Guangqi[#] and ZHOU Xiaowen[#].

[#] *Independent non-executive Director*

^{*} *For identification purpose only*