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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

**(1) REVISION OF THE EXISTING ANNUAL CAP UNDER THE
MUTUAL PROJECT CONTRACTING FRAMEWORK AGREEMENT;**

AND

**(2) REVISION OF THE EXISTING ANNUAL CAP UNDER THE
MUTUAL PRODUCT SALES AND PURCHASE AGREEMENT**

References are made to the announcement of the Company dated 29 August 2018 and the circular of the Company dated 28 September 2018, in relation to, among others, the Mutual Project Contracting Framework Agreement and the Mutual Product Sales and Purchase Agreement entered into between the Group and CCCG, together with the continuing connected transactions thereunder. References are also made to the announcement of the Company dated 31 March 2020, in relation to, among others, revision of the existing annual cap for the labour and subcontracting services provided by CCCG Group to the Group under the Mutual Project Contracting Framework Agreement for the year ending 31 December 2020 to RMB4,500 million and the revision of the existing annual cap for the sales of material products to CCCG Group by the Group under the Mutual Product Sales and Purchase Agreement for the year ending 31 December 2020 to RMB900 million.

The Board estimates that the labour and subcontracting services fees payable to CCCG Group by the Group pursuant to the Mutual Project Contracting Framework Agreement will probably exceed the existing annual cap for the year ending 31 December 2020. Therefore, on 29 October 2020, the Company and CCCG entered into the supplemental agreement to the Mutual Project Contracting Framework Agreement to revise the existing annual cap for the fees for the labour and subcontracting services provided by CCCG Group to the Group thereunder for the year ending 31 December 2020 from RMB4,500 million to RMB5,200 million.

The Board also estimates that the fees receivable by the Group for the sales of material products to CCCG Group pursuant to the Mutual Product Sales and Purchase Agreement will probably exceed the existing annual cap for the year ending 31 December 2020. Therefore, on 29 October 2020, the Company and CCCG entered into the supplemental agreement to the Mutual Product Sales and Purchase Agreement to revise the existing annual cap for the fees receivable by the Group for sales of material products to CCCG Group thereunder for the year ending 31 December 2020 from RMB900 million to RMB1,200 million.

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.

As the highest applicable percentage ratio of the revised annual cap for labour and subcontracting services payable by the Group to CCCG Group under the Mutual Project Contracting Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Mutual Project Contracting Framework Agreement and the revised 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.

As the highest applicable percentage ratio of the revised annual cap of the fees receivable by the Group for the sales of material products to CCCG Group under the Mutual Product Sales and Purchase Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Mutual Product Sales and Purchase Agreement and the revised 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

References are made to the announcement of the Company dated 29 August 2018 and the circular of the Company dated 28 September 2018, in relation to, among others, the Mutual Project Contracting Framework Agreement and the Mutual Product Sales and Purchase Agreement entered into between the Group and CCCG, together with the continuing connected transactions thereunder. References are also made to the announcement of the Company dated 31 March 2020, in relation to, among others, revision of the existing annual cap for the labour and subcontracting services provided by CCCG Group to the Group under the Mutual Project Contracting Framework Agreement for the year ending 31 December 2020 to RMB4,500 million and the revision of the existing annual cap for the sales of material products to CCCG Group by the Group under the Mutual Product Sales and Purchase Agreement for the year ending 31 December 2020 to RMB900 million.

REVISION OF THE EXISTING ANNUAL CAP UNDER THE MUTUAL PROJECT CONTRACTING FRAMEWORK AGREEMENT

According to the business development needs and the arrangement for resumption of work and production after the pandemic of the Company, the Board estimates that the labour and subcontracting services fees payable to CCCG Group by the Group pursuant to the Mutual Project Contracting Framework Agreement will probably exceed the existing annual cap for the year ending 31 December 2020. Therefore, on 29 October 2020, the Company and CCCG entered into the supplemental agreement to the Mutual Project Contracting Framework Agreement to revise the existing annual cap for the fees for the labour and subcontracting services provided by CCCG Group to the Group thereunder for the year ending 31 December 2020 from RMB4,500 million to RMB5,200 million.

Details of the revision are set out as below:

Transaction	Actual amount for the six months ended 30 June 2020	Existing annual cap for the year ending 31 December 2020	Revised annual cap for the year ending 31 December 2020
Labour and subcontracting services provided by CCCG Group to the Group	1,143	4,500	5,200

RMB'million

The revised annual cap for the labour and subcontracting services fees payable to CCCG Group by the Group under the Mutual Project Contracting Framework Agreement is determined with reference to the following factors: (i) suspension of certain projects of the Group during the first half of 2020 due to the outbreak of the pandemic. As a result of effective pandemic prevention and control, the work of each project is orderly resumed and accelerated during the second half of the year, leading to an increase in demand for labour and subcontracting services provided by CCCG Group to the Group; (ii) the Group's demand for labour services from OriginWater. On 14 September 2020, OriginWater has become a subsidiary of China Urban and Rural (a wholly-owned subsidiary of CCCG), thus becoming a connected person of the Company under the Hong Kong Listing Rules, and the labour services provided by it to the Company for the sewage treatment and other projects became a connected transaction of the Company; (iii) the current capacity of CCCG Group; (iv) the prevailing market price for comparable types of services in the same industry; and (v) an approximately 5% buffer for unexpected fluctuations of the labour and subcontracting services fees payable to CCCG Group by the Group under the Mutual Project Contracting Framework Agreement.

The Board further confirms that, as at the date of this announcement, the existing annual cap for the fees for the labour and subcontracting services provided by CCCG Group to the Group pursuant to the Mutual Project Contracting Framework Agreement for the year ending 31 December 2020 has not yet been exceeded.

Save as disclosed above, all the existing principal terms of the Mutual Project Contracting Framework Agreement remain unchanged.

REVISION OF THE EXISTING ANNUAL CAP UNDER THE MUTUAL PRODUCT SALES AND PURCHASE AGREEMENT

According to the business development needs of the Company, the Board also estimates that the fees receivable by the Group for the sales of material products to CCCG Group pursuant to the Mutual Product Sales and Purchase Agreement will probably exceed the existing annual cap for the year ending 31 December 2020. Therefore, on 29 October 2020, the Company and CCCG entered into the supplemental agreement to the Mutual Product Sales and Purchase Agreement to revise the existing annual cap for the fees receivable by the Group for sales of material products to CCCG Group thereunder for the year ending 31 December 2020 from RMB900 million to RMB1,200 million.

Details of the revision are set out as below:

Transaction	Actual amount for the six months ended 30 June 2020	Existing annual cap for the year ending 31 December 2020	Revised annual cap for the year ending 31 December 2020
			<i>RMB'million</i>
Sales of material products to CCCG Group by the Group	369	900	1,200

The revised annual cap for the fees receivable by the Group for sales of material products to CCCG Group pursuant to the Mutual Product Sales and Purchase Agreement is determined with reference to the following factors: (i) as a result of effective pandemic prevention and control, the work of CCCG Group is orderly resumed and the centralised procurement is accelerated by CCCG Group during the second half of 2020, resulting in a significantly increasing demand of the procurement of material products from the Group for its daily operations; (ii) CCCG Group's plan to reserve material products at the end of the year for its daily production and operation at the beginning of next year, considering that the material product price is relatively lower in the current market and also aiming to avoid the inconvenience in freight transport resulting from the Spring Festival travel peak at the early beginning of next year; (iii) the prevailing market price for material products; and (iv) the current capacity of the Group.

The Board further confirms that, as at the date of this announcement, the existing annual cap for the fees receivable by the Group for the sales of material products to CCCG Group pursuant to the Mutual Product Sales and Purchase Agreement for the year ending 31 December 2020 has not yet been exceeded.

Save as disclosed above, all the existing principal terms of the Mutual Product Sales and Purchase Agreement remain unchanged.

REASONS AND BENEFIT

As the Company is mainly engaged in the transportation infrastructure industry, it may require labour and subcontracting services from time to time in the course of its ordinary business. By selecting CCCG Group as a provider of such services, the Directors of the Company are of the view that the Company can benefit from its relatively low quotations, its understanding of the Company's business and its extensive experience and expertise in providing such services, and accordingly receive professional and high-quality services at a reasonable cost, which will be conducive to the Company's main business operation.

The Group sells material products such as materials, equipment and components to CCCG Group for its processing and manufacturing of industrial products. As all or part of such industrial products will be sold back by CCCG Group to the Group for its use in the core business, the Directors of the Company are of the view that the Group can benefit from the sale of material products to CCCG Group. In addition, such transaction will improve the revenue of the Company and generate reasonable profit, and is therefore of great significance to the Company's development.

IMPLICATIONS OF HONG KONG LISTING RULES

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.

As the highest applicable percentage ratio of the revised annual cap for labour and subcontracting services payable by the Group to CCCG Group under the Mutual Project Contracting Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Mutual Project Contracting Framework Agreement and the revised 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.

As the highest applicable percentage ratio of the revised annual cap of the fees receivable by the Group for the sales of material products to CCCG Group under the Mutual Product Sales and Purchase Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Mutual Product Sales and Purchase Agreement and the revised 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 FROM DIRECTORS

Mr. Wang Tongzhou and Mr. Liu Maoxun, being the Directors of the Company, are also the 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 resolutions. Save for the above-mentioned Directors, none of the other Directors of the Company has or is deemed to have a material interest in the aforesaid transactions.

The Directors (including independent non-executive Directors), having made all reasonable and due enquiries, are of the view that each of the Mutual Project Contracting Framework Agreement, the Mutual Product Sales and Purchase Agreement and transactions contemplated thereunder are entered into on normal commercial terms in the ordinary and 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 the revised annual 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.

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% equity interests in the issued ordinary shares of the Company as at the date of this announcement. CCCG is primarily engaged in real estate development and property management, shipbuilding, ship chartering and maintenance, ocean engineering, technical consultation services for ships and corollary equipment of harbours, import and export business, investment in and management of transportation industry, and other businesses.

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
“China Urban and Rural”	China Urban and Rural Holding Group Co., Ltd. (中國城鄉控股集團有限公司), a subsidiary of CCCG as at the date of this announcement
“Company”	China Communications Construction Company Limited, a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on The Stock Exchange of Hong Kong Limited under stock code 1800 and the A shares of which are listed on the Shanghai Stock Exchange under stock code 601800
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) 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
“Mutual Product Sales and Purchase Agreement”	the mutual product sales and purchase agreement entered into between the Company and CCCG on 29 August 2018, as amended by the supplemental agreements entered into on 31 March 2020 and 29 October 2020

“Mutual Project Contracting Framework Agreement”	the mutual project contracting framework agreement entered into between the Company and CCCG on 29 August 2018, as amended by the supplemental agreements entered into on 2 January 2019, 27 December 2019, 31 March 2020 and 29 October 2020, respectively
“OriginWater”	Beijing OriginWater Technology Co., Ltd. (北京碧水源科技股份有限公司), a joint stock company incorporated in the PRC with limited liability, the A shares of which are listed on the Shenzhen Stock Exchange under stock code 300070
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding 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
29 October 2020

As at the date of this announcement, the Directors of the Company are WANG Tongzhou, LIU Maoxun, HUANG Long[#], ZHENG Changhong[#] and NGAI Wai Fung[#].

[#] *Independent non-executive Director*