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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
CCCC INTELLIGENCE TRANSPORTATION
(1) ENTERING INTO THE FINANCIAL SERVICES
FRAMEWORK AGREEMENT; AND
(2) ENTERING INTO THE PROJECT CONTRACTING
FRAMEWORK AGREEMENT**

On 29 October 2020, CCCC Finance (being the subsidiary of the Company) and CCCC Intelligence Transportation entered into the Financial Services Framework Agreement, pursuant to which CCCC Finance agreed to provide deposit services and loan services to CCCC Intelligence Transportation Group during the period from 29 October 2020 to 31 December 2021. On the same day, the Company and CCCC Intelligence Transportation entered into the Project Contracting Framework Agreement, pursuant to which the Group agreed to provide project contracting services to CCCC Intelligence Transportation Group during the year ending 31 December 2021.

The Company has effective control over CCCC Intelligence Transportation and the financial results of which are consolidated into that of the Group, and therefore CCCC Intelligence Transportation is a subsidiary of the Company. As at the date of this announcement, CCGG (the controlling Shareholder of the Company holding approximately 57.99% equity interests in the issued ordinary shares of the Company) holds more than 10% equity interests in CCCC Intelligence Transportation. Therefore, CCCC Intelligence Transportation is a connected subsidiary of the Company pursuant to Rule 14A.16 of the Hong Kong Listing Rules. As such, the Financial Services Framework Agreement and the Project Contracting Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

The provision of deposit services by CCCC Finance to CCCC Intelligence Transportation 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 CCCC Intelligence Transportation Group. Therefore, pursuant to Rule 14A.90 of the Hong Kong Listing Rules, the provision of deposit services by CCCC Finance to CCCC Intelligence Transportation Group under the Financial Services Framework 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 the Financial Services Framework Agreement (for the loan services only) and the 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, announcement and annual review requirements, but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

I. ENTERING INTO THE FINANCIAL SERVICES FRAMEWORK AGREEMENT

1. Background

On 29 October 2020, CCCC Finance (being the subsidiary of the Company) and CCCC Intelligence Transportation entered into the Financial Services Framework Agreement, pursuant to which CCCC Finance agreed to provide deposit services and loan services to CCCC Intelligence Transportation Group during the period from 29 October 2020 to 31 December 2021.

2. Financial Services Framework Agreement

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

Date

29 October 2020

Parties

- (1) CCCC Finance; and
- (2) CCCC Intelligence Transportation

Term

29 October 2020 to 31 December 2021

Principal Services

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

(a) Deposit Services

CCCC Finance will provide deposit services to CCCC Intelligence Transportation 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 determined 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 loan services to CCCC Intelligence Transportation 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 interest rates of loans quoted in the market. 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.

3. Proposed Annual Cap and Basis of Determination

After taking account of the following factors, the Company estimates that the annual cap on the daily maximum balance of loans to be provided by CCCC Finance to CCCC Intelligence Transportation Group (including the interests accrued thereon) for the period ending 31 December 2020 and the year ending 31 December 2021 will be RMB240 million and RMB460 million, respectively: (i) relevant guidelines and regulations of the PBOC; (ii) the development plan of CCCC Intelligence Transportation Group and its estimated financial needs for loan services; and (iii) the credit scale of CCCC Finance.

The Company confirms that, as at the date of this announcement, CCCC Finance has not yet provided loans to CCCC Intelligence Transportation Group.

4. Internal Control and Corporate Governance Measures

To safeguard the rights and interests of the Shareholders, the Company and CCCC Finance have adopted the following internal control procedures and corporate governance measures in relation to the continuing connected transactions under the Financial Services Framework Agreement and their annual caps:

- (i) CCCC Finance has formulated certain internal rules and policies related to management and control of operational risks and credit risks in accordance with relevant PRC laws and regulations on financial services, with a relatively sound internal control system already in place;
- (ii) CCCC Finance has established a systematic corporate governance structure to ensure effective internal control, including implementation of the general manager accountability system under the leadership of its board of directors, establishment of its institutional structure based on the decision-making, execution and monitoring systems, and formulation of different work procedures and risk control systems based on different job duties;
- (iii) CCCC Finance has adopted centralized management and safe and sound business systems so as to monitor transactions in a timely manner;
- (iv) CCCC Finance will submit to the Company reports on its provision of deposit services and loan services to CCCC Intelligence Transportation Group on a monthly basis, its financial statements on a quarterly basis, and copies of its regulatory reports submitted to the China Banking and Insurance Regulatory Commission; and
- (v) The independent non-executive Directors and auditors of the Company will conduct annual review on the continuing connected transactions under the Financial Services Framework Agreement.

The Board believes that the internal control procedures and corporate governance measures above are appropriate and can give the Shareholders an adequate assurance that the continuing connected transactions under the Financial Services Framework Agreement will be under the proper supervision of the Company.

5. Reasons and Benefits

CCCC Finance is a non-banking financial institution, offering comprehensive financial services to enterprises. The Company expects to benefit from the gains generated from the loan services provided by CCCC Finance. Furthermore, the financial services provided by CCCC Finance to CCCC Intelligence Transportation Group can help the Group to improve its capital utilization efficiency and enhance the capability of CCCC Finance in providing professional and comprehensive financial services, which is in line with the Group's business development needs.

II. ENTERING INTO THE PROJECT CONTRACTING FRAMEWORK AGREEMENT

1. Background

On 29 October 2020, the Company and CCCC Intelligence Transportation entered into the Project Contracting Framework Agreement, pursuant to which the Group agreed to provide project contracting services to CCCC Intelligence Transportation Group during the year ending 31 December 2021.

2. Project Contracting Framework Agreement

The principal terms of the Project Contracting Framework Agreement are set out as follows:

Date

29 October 2020

Parties

- (1) the Company; and
- (2) CCCC Intelligence Transportation

Term

From 1 January 2021 to 31 December 2021

Description of the transaction

The Group agreed to provide, among others, project construction and management services to CCCC Intelligence Transportation Group, which may include (i) provision of construction, design, consultation and management services for construction, transportation and other projects that may be undertaken by CCCC Intelligence Transportation Group; and (ii) design, construction, operation, management and dismantlement of temporary supporting facilities.

Price Determination

The fees payable by CCCC Intelligence Transportation Group to the Group for the project contracting services provided by 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) after taking comprehensive consideration of the various aspects of the projects, such as project scale, construction period, technical difficulties and risk factors; and
- (3) the Group will refer to the Group's quotations for similar services to independent third parties, so as to assess and review whether the services quotations provided by the Group to CCCC Intelligence Transportation Group in accordance with items (1) and (2) above are fair and reasonable.

Payment Terms

The specific payment terms (including time and method of payment) of CCCC Intelligence Transportation Group for the project contracting services provided by the 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 independent third parties to the Group.

3. Proposed Annual Cap and Basis of Determination

After taking account of the following factors, the Company estimates that the proposed annual cap on the project contracting services to be provided by the Group to CCCC Intelligence Transportation Group for the year ending 31 December 2021 will be RMB200 million: (i) the prevailing market price for service fees charged for the project contracting services; (ii) the development plans of CCCC Intelligence Transportation Group in relation to relevant development business of, among others, construction and transportation projects and its demand for the project contracting services; and (iii) the current construction capacity of the Group.

4. Reasons and Benefits

The Group provides project contracting services for construction, transportation and other projects that may be undertaken by CCCC Intelligence Transportation Group. As relevant development of, among others, construction and transportation projects is within the business scope of CCCC Intelligence Transportation Group and CCCC Intelligence Transportation Group is expanding relevant development business in relation to abovementioned projects, which require project contracting services. The Directors of the Company believe that, the provision of the project contracting services to CCCC Intelligence Transportation Group is in line with the development of the principal business of the Company and will benefit the performance of the Group. In addition, the price and terms of the project contracting services provided to CCCC Intelligence Transportation Group by the Group are neither lower nor unfavourable than those entered into with independent third parties by the Company.

III. HONG KONG LISTING RULES IMPLICATIONS

The Company has effective control over CCCC Intelligence Transportation and the financial results of which are consolidated into that of the Group, and therefore CCCC Intelligence Transportation is a subsidiary of the Company. As at the date of this announcement, CCCG (the controlling Shareholder of the Company holding approximately 57.99% equity interests in the issued ordinary shares of the Company) holds more than 10% equity interests in CCCC Intelligence Transportation. Therefore, CCCC Intelligence Transportation is a connected subsidiary of the Company pursuant to Rule 14A.16 of the Hong Kong Listing Rules. As such, the Financial Services Framework Agreement and the Project Contracting Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

The provision of deposit services by CCCC Finance to CCCC Intelligence Transportation 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 CCCC Intelligence Transportation Group. Therefore, pursuant to Rule 14A.90 of the Hong Kong Listing Rules, the provision of deposit services by CCCC Finance to CCCC Intelligence Transportation Group under the Financial Services Framework 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 the Financial Services Framework Agreement (for the loan services only) and the 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, announcement and annual review requirements, but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

IV. BOARD CONFIRMATION

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 continuing connected transactions.

The Directors (including the independent non-executive Directors), having made all reasonable and due inquiries, are of the view that the abovementioned continuing connected transactions have been entered into on normal commercial terms in the ordinary or usual course of business of the Company, are fair and reasonable and in the interest 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 of transactions contemplated under the Financial Services Framework Agreement and Project Contracting Framework Agreement, and the proposed annual caps thereof are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

V. 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.

CCCC Finance is a subsidiary of the Company incorporated in the PRC and a non-banking financial institution. It is primarily engaged in offering comprehensive financial services to enterprises.

CCCC Intelligence Transportation is a subsidiary of the Company incorporated in the PRC and is primarily engaged in construction, transportation, storage and postal services, information transmission, software and information technology services, science research and technology services.

VI. DEFINITIONS

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

“Board”	the board of directors of the Company
“CCCC Finance”	CCCC Finance Company Limited (中交財務有限公司), a limited liability company incorporated in the PRC, and a subsidiary of the Company as at the date of this announcement
“CCCC Intelligence Transportation”	CCCC Intelligence Transportation Company Limited* (中交智運有限公司), a limited liability company incorporated in the PRC, and a subsidiary of the Company as at the date of this announcement
“CCCC Intelligence Transportation Group”	CCCC Intelligence Transportation and its subsidiaries

“CCCCG”	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
“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(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Financial Services Framework Agreement”	the financial services framework agreement entered into between CCCC Finance and CCCC Intelligence Transportation on 29 October 2020
“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
“PBOC”	the People’s Bank of China
“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
“Project Contracting Framework Agreement”	the project contracting framework agreement entered into between the Company and CCCC Intelligence Transportation on 29 October 2020
“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*

^{*} *For identification purpose only*