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

**I. REVISION OF ANNUAL CAPS UNDER THE FRAMEWORK AGREEMENTS  
OF THE EXISTING CONTINUING CONNECTED TRANSACTIONS**

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 Product Sales and Purchase Agreement and the Mutual Project Contracting Framework Agreement entered into between the Company and CCCG. Reference is also made to the announcement of the Company dated 30 March 2021, in relation to, among others, the revision of the existing annual caps under the Mutual Product Sales and Purchase Agreement and the Mutual Project Contracting Framework Agreement for the year ending 31 December 2021.

On 30 August 2021, the Company and CCCG entered into (i) the Supplemental Agreement to the Mutual Product Sales and Purchase Agreement to further revise the existing annual cap of fees to be received by the Group in respect of sales of material products to CCCG Group contemplated thereunder for the year ending 31 December 2021 from RMB1,200 million to RMB2,000 million; and (ii) the Supplemental Agreement to the Mutual Project Contracting Framework Agreement to further revise the existing annual cap of fees for the labour and subcontracting services provided by CCCG Group to the Group thereunder for the year ending 31 December 2021 from RMB4,500 million to RMB6,500 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. Accordingly, the transactions contemplated under the Supplemental Agreement to the Mutual Product Sales and Purchase Agreement and the Supplemental Agreement to the Mutual Project Contracting 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 revised annual cap for sales of material products under the Supplemental Agreement to the Mutual Product Sales and Purchase Agreement exceeds 0.1% but is lower than 5%, the Supplemental Agreement to the Mutual Product Sales and Purchase Agreement and the revised annual cap for sales of material products 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.

As the highest applicable percentage ratio of the revised annual cap for labour and subcontracting services under the Supplemental Agreement to the Mutual Project Contracting Framework Agreement exceeds 5%, the Supplemental Agreement to the Mutual Project Contracting Framework Agreement and the revised annual cap for labour and subcontracting services received thereunder are subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

## **II. EGM**

The EGM will be convened by the Company for, among others, the Independent Shareholders to consider and, if thought fit, to approve the Supplemental Agreement to the Mutual Project Contracting Framework Agreement and the revised annual cap for labour and subcontracting services received thereunder.

For the purpose of the EGM, a circular containing, among other things, (i) details of the Supplemental Agreement to the Mutual Project Contracting Framework Agreement and the revised annual cap for labour and subcontracting services received thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on this regard; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Shareholders and the Independent Board Committee on this regard will be despatched to the Shareholders on or before 25 October 2021, as additional time is required for the Company to prepare the circular.

## **I. REVISION OF ANNUAL CAPS UNDER THE FRAMEWORK AGREEMENTS OF THE EXISTING CONTINUING CONNECTED TRANSACTIONS**

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 Product Sales and Purchase Agreement and the Mutual Project Contracting Framework Agreement entered into between the Company and CCCG. Reference is also made to the announcement of the Company dated 30 March 2021, in relation to, among others, the revision of the existing annual caps under the Mutual Product Sales and Purchase Agreement and the Mutual Project Contracting Framework Agreement for the year ending 31 December 2021.

## 1. Entering into the Supplemental Agreement to the Mutual Product Sales and Purchase Agreement

According to the business development, the Board estimates that the fees to be received by the Group in respect of sales of material products to CCCG Group under the Mutual Product Sales and Purchase Agreement will probably exceed the existing annual cap for the year ending 31 December 2021. Therefore, on 30 August 2021, the Company and CCCG entered into the Supplemental Agreement to the Mutual Product Sales and Purchase Agreement to further revise the existing annual cap of fees to be received by the Group in respect of sales of material products to CCCG Group contemplated thereunder for the year ending 31 December 2021 from RMB1,200 million to RMB2,000 million.

### *Revision of the Existing Annual Cap*

<b>Transaction</b>	<b>Actual amount for the six months ended 30 June 2021</b> <i>RMB million</i>	<b>Existing annual cap for the year ending 31 December 2021</b> <i>RMB million</i>	<b>Revised annual cap for the year ending 31 December 2021</b> <i>RMB million</i>
Sales of material products to CCCG Group by the Group	415	1,200	2,000

The revised annual cap of fees to be received by the Group in respect of sales of material products to CCCG Group under the Mutual Product Sales and Purchase Agreement is determined with reference to the following factors: (i) the expansion of CCCG Group's production and operation scale and its increasing demands for material products, which have exceeded the expectations when the Company determined the existing annual cap; (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 products price is relatively lower in the current market and also aiming to avoid the inconvenience in freight transport resulted from the Spring Festival travel peak at the beginning of next year; and (iii) the Group takes advantage of the centralized procurement platform to reach cooperation with suppliers on the supply of material products and obtain sufficient material products from suppliers at more favorable prices.

The Board further confirms that, as at the date of this announcement, the existing annual cap of fees to be received by the Group in respect of sales of material products to CCCG Group under the Mutual Product Sales and Purchase Agreement for the year ending 31 December 2021 has not yet been exceeded.

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

## **2. Entering into the Supplemental Agreement to the Mutual Project Contracting Framework Agreement**

According to the business development, the Board estimates that the fees for labour and subcontracting services payable by the Group to CCCG Group pursuant to the Mutual Project Contracting Framework Agreement will probably exceed the existing annual cap for the year ending 31 December 2021. Therefore, on 30 August 2021, the Company and CCCG entered into the Supplemental Agreement to the Mutual Project Contracting Framework Agreement to further revise the existing annual cap of fees for the labour and subcontracting services provided by CCCG Group to the Group thereunder for the year ending 31 December 2021 from RMB4,500 million to RMB6,500 million.

### ***Revision of the Existing Annual Cap***

<b>Transaction</b>	<b>Actual amount for the six months end 30 June 2021 <i>RMB million</i></b>	<b>Existing annual cap for the year ending 31 December 2021 <i>RMB million</i></b>	<b>Revised annual cap for the year ending 31 December 2021 <i>RMB million</i></b>
Labour and subcontracting services provided by CCCG Group to the Group	1,342	4,500	6,500

The revised annual cap of fees for labour and subcontracting services payable by the Group to CCCG Group under the Mutual Project Contracting Framework Agreement is determined with reference to the following factors: (i) due to the impact of the long Spring Festival holidays, recurring epidemic and frequent natural disasters, the Group's projects progressed slowly in the first half of 2021 and will be resumed and accelerated in an orderly manner in the second half of the year; (ii) the value of new contracts of the Group, especially those for urban construction, achieved faster growth, which leads to the Group's increasing demand for the labour and subcontracting services provided by the CCCG Group; (iii) the current capacity of CCCG Group; (iv) the prevailing market price for comparable types of services in the same industry; and (v) a buffer of approximately 5% for unexpected fluctuations of fees for labour and subcontracting services payable by the Group to CCCG Group under the Mutual Project Contracting Framework Agreement.

The Board further confirms that, as at the date of this announcement, the existing annual cap of 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 2021 has not yet been exceeded.

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

## **II. REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

### **1. The Supplemental Agreement to the Mutual Product Sales and Purchase Agreement**

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 sales 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.

## **2. The Supplemental Agreement to the Mutual Project Contracting Framework Agreement**

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, 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 business operation.

### **III. 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 Supplemental Agreement to the Mutual Product Sales and Purchase Agreement and the Supplemental Agreement to the Mutual Project Contracting 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 revised annual cap for sales of material products under the Supplemental Agreement to the Mutual Product Sales and Purchase Agreement exceeds 0.1% but is lower than 5%, the Supplemental Agreement to the Mutual Product Sales and Purchase Agreement and the revised annual cap for sales of material products 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.

As the highest applicable percentage ratio of the revised annual cap for labour and subcontracting services under the Supplemental Agreement to the Mutual Project Contracting Framework Agreement exceeds 5%, the Supplemental Agreement to the Mutual Project Contracting Framework Agreement and the revised annual cap for labour and subcontracting services received thereunder are subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

#### **IV. CONFIRMATION BY THE DIRECTORS**

Mr. Wang Tongzhou, Mr. Wang Haihuai, Mr. Liu Xiang 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 resolutions. 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 of the Company, including the independent non-executive Directors, having made all reasonable and due inquiries, are of the view that the Supplemental Agreement to the Mutual Product Sales and Purchase Agreement is entered into on normal commercial terms in the ordinary and usual course of business of the Company, is fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Directors of the Company, including the independent non-executive Directors, are of the view that the Supplemental Agreement to the Mutual Product Sales and Purchase Agreement and the revised annual cap for sales of material products thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Having made all reasonable and due inquiries, the Directors (excluding the independent non-executive Directors, whose opinion will be set forth in the circular by reference to the advice of the Independent Financial Adviser) are of the view that the Supplemental Agreement to the Mutual Project Contracting Framework Agreement is entered into on normal commercial terms in the ordinary and usual course of business of the Company, is fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Directors (excluding the independent non-executive Directors, whose opinion will be set forth in the circular by reference to the advice of the Independent Financial Adviser) are of the view that the Supplemental Agreement to the Mutual Project Contracting Framework Agreement and the revised annual cap for labour and subcontracting services received thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

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

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.

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.

## VI. EGM

The EGM will be convened by the Company for, among others, the Independent Shareholders to consider and, if thought fit, to approve the Supplemental Agreement to the Mutual Project Contracting Framework Agreement and the revised annual cap for labour and subcontracting services received thereunder. In addition, the Independent Board Committee comprising the independent non-executive Directors will be formed to advise the Independent Shareholders on the Supplemental Agreement to the Mutual Project Contracting Framework Agreement and the revised annual cap for labour and subcontracting services received thereunder. The Company has appointed Somerley Capital Limited as the Independent Financial Adviser in accordance with the Hong Kong Listing Rules to advise the Independent Board Committee and the Independent Shareholders on this regard.

CCCG, which holds approximately 57.99% interests in the issued ordinary shares of the Company as at the date of this announcement, shall abstain from voting on the resolution approving the Supplemental Agreement to the Mutual Project Contracting Framework Agreement and the revised annual cap for labour and subcontracting services received 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 Supplemental Agreement to the Mutual Project Contracting Framework Agreement and the transactions of receiving labour and subcontracting services contemplated thereunder and therefore will be required to abstain from voting on the relevant resolution at the EGM. The resolution stated above shall be passed as an ordinary resolution, and the voting shall be taken by way of poll in accordance with the Hong Kong Listing Rules.

For the purpose of the EGM, a circular containing, among other things, (i) details of the Supplemental Agreement to the Mutual Project Contracting Framework Agreement and the revised annual cap for labour and subcontracting services received thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on this regard; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Shareholders and the Independent Board Committee on this regard will be despatched to the Shareholders on or before 25 October 2021, as additional time is required for the Company to prepare the circular.

## VII. DEFINITIONS

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

“Board”	the board of directors of the Company
“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
“CCCCG Group”	CCCCG 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
“EGM”	the extraordinary general meeting of the Company to be held to, among others, consider and, if thought fit, to approve the Supplemental Agreement to the Mutual Project Contracting Framework Agreement and the revised annual cap for labour and subcontracting services received thereunder
“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

“Independent Board Committee”	an independent board committee comprising independent non-executive Directors, namely Mr. Huang Long, Mr. Zheng Changhong and Mr. Ngai Wai Fung, established to advise the Independent Shareholders on the revised annual cap for labour and subcontracting services received under the Mutual Project Contracting Framework Agreement
“Independent Financial Adviser”	Somerville Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the revised annual cap for labour and subcontracting services received under the Mutual Project Contracting Framework Agreement
“Independent Shareholders”	Shareholders (excluding CCCG) that are not required to abstain from voting on the resolution in relation to the revised annual cap for labour and subcontracting services received under the Mutual Project Contracting Framework Agreement at the EGM
“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, 29 October 2020 and 30 March 2021
“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, 29 October 2020 and 30 March 2021, respectively

“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
“Supplemental Agreement to the Mutual Product Sales and Purchase Agreement”	the supplemental agreement to the Mutual Product Sales and Purchase Agreement entered into between the Company and CCCG on 30 August 2021
“Supplemental Agreement to the Mutual Project Contracting Framework Agreement”	the supplemental agreement to the Mutual Project Contracting Framework Agreement entered into between the Company and CCCG on 30 August 2021
“%”	percent

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

Beijing, the PRC  
30 August 2021

*As at the date of this announcement, the directors of the Company are WANG Tongzhou, WANG Haihuai, LIU Xiang, LIU Maoxun, HUANG Long#, ZHENG Changhong# and NGAI Wai Fung#.*

# *Independent non-executive director*