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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
FINANCIAL SERVICES AGREEMENT ENTERED INTO BETWEEN
CCCC FINANCE AND CCCG

References are made to the announcements of the Company dated 12 August 2016 and 28 March 2017, in relation to the Original Financial Services Agreement and the renewal of the Original Financial Services Agreement between CCCC Finance and CCCG. On 12 August 2016, CCCC Finance (a subsidiary of the Company) entered into the Original Financial Services Agreement with CCCG, pursuant to which CCCC Finance agreed to provide financial services to CCCG Group for the period from 12 August 2016 to 31 December 2016. On 28 March 2017, CCCC Finance and CCCG renewed the Original Financial Services Agreement for the period from 28 March 2017 to 31 December 2017.

In order to further renew the transactions under the Original Financial Services Agreement and the Renewed Original Financial Services Agreement, on 29 March 2018, CCCC Finance and CCCG entered into the Financial Services Agreement for the period from 29 March 2018 to 31 December 2018.

As at the date of this announcement, CCCG is the controlling shareholder of the Company holding approximately 63.84% 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 Financial Services Agreement between CCCC Finance and CCCG Group constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

The provision of deposit services by CCC Finance to CCCG Group is to be made on normal commercial terms or more favourable terms which is in the Group's interests, and no assets of the Group are to be pledged as security for such deposit services in favour of CCCG Group. Therefore, pursuant to Rule 14A.90 of the Hong Kong Listing Rules, the provision of deposit services by CCC Finance to CCCG Group under the Financial Services Agreement is exempt from the announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As estimated by the Company, during the effective term of the Financial Services Agreement, the daily balance of loans provided by CCC Finance to CCCG Group (including the interests accrued thereon) will not exceed RMB730 million. Since the highest applicable percentage ratio is more than 0.1% but less than 5%, the provision of loan services by CCC Finance to CCCG Group is subject to the announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

BACKGROUND

References are made to the announcements of the Company dated 12 August 2016 and 28 March 2017, in relation to the Original Financial Services Agreement and the renewal of the Original Financial Services Agreement between CCC Finance and CCCG. On 12 August 2016, CCC Finance (a subsidiary of the Company) entered into the Original Financial Services Agreement with CCCG, pursuant to which CCC Finance agreed to provide financial services to CCCG Group for the period from 12 August 2016 to 31 December 2016. On 28 March 2017, CCC Finance and CCCG renewed the Original Financial Services Agreement for the period from 28 March 2017 to 31 December 2017.

In order to further renew the transactions under the Original Financial Services Agreement and the Renewed Original Financial Services Agreement, on 29 March 2018, CCC Finance and CCCG entered into the Financial Services Agreement for the period from 29 March 2018 to 31 December 2018.

FINANCIAL SERVICES AGREEMENT

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

Date

29 March 2018

Parties

- (1) CCCC Finance; and
- (2) CCCG

Term

From 29 March 2018 to 31 December 2018

Principal Services

Pursuant to the Financial Services Agreement, CCCC Finance agreed to provide deposit services, loan services and other financial services to CCCG Group according to the principal terms as below.

(a) *Deposit Services*

CCCC Finance will provide deposit services to CCCG 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 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 loans to CCCG 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 benchmark interest rate provided by the PBOC for such type of loans. 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.

(c) *Other Financial Services*

CCCC Finance will, upon requests from CCCG Group and based on its capacities, provide other financial services subject to the Financial Services Agreement and within its business scope to CCCG Group. Provision of such other financial services by CCCC Finance to CCCG Group is subject to a separate contract/agreement between the parties to stipulate the specific transaction terms, which shall be in accordance with the principles and terms of the Financial Services Agreement and relevant legal requirements. The Company and CCCC Finance will fulfil compliance requirements of the Hong Kong Listing Rules for other financial services in due course, including the

announcement, annual review and independent shareholders' approval requirements (if applicable). Fees charged by CCCC Finance for the provision of other financial services shall be in accordance with the rates provided by the PBOC or China Banking Regulatory Commission for such type of services.

THE PROPOSED CAPS UNDER THE FINANCIAL SERVICES AGREEMENT

Maximum Daily Loan Balance for Loan Services and the Basis for Determination

During the effective term of the Financial Services Agreement, the daily balance of loans provided by CCCC Finance to CCCG Group (including the interests accrued thereon) shall not exceed 75% of the average daily balance of deposits of CCCG Group with CCCC Finance and shall not exceed RMB730 million.

In arriving at the cap of daily loan balance above, the Board has taken into account the following factors: (i) relevant guidelines and regulations of the PBOC; and (ii) estimated financial needs for loan services.

The Company confirmed that the maximum daily balance of loans provided by CCCC Finance to CCCG Group (including the interests accrued thereon) during the period from 1 January 2018 to the date of this announcement fell within the de minimis threshold under the Hong Kong Listing Rules.

During the two financial years ended 31 December 2017, CCCC Finance did not grant any loan to CCCG Group.

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 Agreement:

- (1) 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;
- (2) 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;
- (3) CCCC Finance has adopted centralized management and safe and sound business systems so as to monitor transactions in a timely manner;

- (4) CCCC Finance will submit to the Company reports on its provision of deposit services, loan services and other financial services to CCCG Group on a monthly basis, its financial statements on a quarterly basis, and copies of its regulatory reports submitted to the China Banking Regulatory Commission; and
- (5) The independent non-executive Directors and auditors of the Company will conduct annual review of the continuing connected transactions under the Financial Services 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 Agreement will be under the proper supervision of the Company.

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 by the loan services provided by CCCC Finance. Furthermore, the provision of financial services by CCCC Finance to CCCG Group is conducive for the Group to improve the efficiency of utilizing its capital and enhance the capacities of CCCC Finance in providing professional and comprehensive financial services, which is in line with the Group's business development needs.

HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, CCCG is the controlling shareholder of the Company holding approximately 63.84% 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 Financial Services Agreement between CCCC Finance and CCCG Group 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 CCCG 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 CCCG Group. Therefore, pursuant to Rule 14A.90 of the Hong Kong Listing Rules, the provision of deposit services by CCCC Finance to CCCG Group under the Financial Services Agreement is exempt from the announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As estimated by the Company, during the effective term of the Financial Services Agreement, the daily balance of loans provided by CCCC Finance to CCCG Group (including the interests accrued thereon) will not exceed RMB730 million. Since the highest applicable percentage ratio is more than 0.1% but less than 5%, the provision of loan services by CCCC Finance to CCCG Group is subject to the announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

CONFIRMATION BY THE BOARD

The Directors, including the independent non-executive Directors, are of the view that, the above continuing connected transactions under the Financial Services Agreement have been entered into on normal commercial terms in the ordinary and usual course of business of CCCC Finance, are fair and reasonable and are in the interest of the Company and its Shareholders as a whole. The Directors, including the independent non-executive Directors, also believe that the terms and relevant maximum daily loan balance of the transactions thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Mr. Liu Qitao and Mr. Chen Fenjian, both being directors of CCCG, are deemed to have material interests in the continuing connected transactions above and have abstained from voting on the relevant resolution of the Board. Save for the Directors mentioned above, none of the other Directors is or is deemed to have a material interest in the above transactions.

BACKGROUND AND GENERAL INFORMATION OF RELEVANT COMPANIES

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.

CCCG is a state-owned enterprise established under the laws of the PRC and the controlling shareholder of the Company, holding approximately 63.84% interest 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, consulting and construction 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 context states otherwise, 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 under the laws of the PRC
“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
“Directors”	the directors of the Company
“Financial Services Agreement”	the financial services agreement entered into between CCCC Finance and CCCG on 29 March 2018
“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
“Original Financial Services Agreement”	the financial services agreement entered into between CCCC Finance and CCCG on 12 August 2016
“PBOC”	the People’s Bank of China
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan

“RMB”	the lawful currency of the PRC
“Renewed Original Financial Services Agreement”	the financial services agreement entered into between CCCC Finance and CCCG on 28 March 2017
“Shareholder(s)”	the shareholder(s) of the Company

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

Beijing, the PRC

29 March 2018

As at the date of this announcement, the Directors are LIU Qitao, CHEN Fenjian, FU Junyuan, CHEN Yun, LIU Maoxun, QI Xiaofei, HUANG Long#, ZHENG Changhong# and NGAI Wai Fung#.

Independent non-executive Director