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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 TRANSACTION WITH CCCG**  
**REVISION OF THE EXISTING ANNUAL CAP UNDER**  
**THE PROPERTY LEASING FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 2 January 2019 in relation to, among others, the continuing connected transaction under the Property Leasing Framework Agreement. On 2 January 2019, the Company and CCCG entered into the Property Leasing Framework Agreement, pursuant to which CCCG Group agreed to lease certain properties and auxiliary facilities owned by it to the Group from 2 January 2019 to 31 December 2019 for the Group's operation or as its offices.

The Board estimates that the total value of right-of-use assets involved in the leasing of certain properties and auxiliary facilities from CCCG Group to the Group pursuant to the Property Leasing Framework Agreement will probably exceed the existing annual cap for the year ended 31 December 2019. Therefore, on 23 December 2019, the Company and CCCG entered into the supplemental agreement to the Property Leasing Framework Agreement to revise the existing annual cap for the total value of right-of-use assets involved in the leasing thereunder for the year ended 31 December 2019 from RMB200 million to RMB230 million.

As at the date of this announcement, CCCG is the controlling Shareholder of the Company holding approximately 57.96% 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 transaction contemplated under the Property Leasing Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the revised annual cap under the Property Leasing Framework Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the Property Leasing 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.

## BACKGROUND

Reference is made to the announcement of the Company dated 2 January 2019 in relation to, among others, the continuing connected transaction under the Property Leasing Framework Agreement.

On 2 January 2019, the Company and CCCG entered into the Property Leasing Framework Agreement, pursuant to which CCCG Group agreed to lease certain properties and auxiliary facilities owned by it to the Group from 2 January 2019 to 31 December 2019 for the Group's operation or as its offices.

## REVISION OF THE EXISTING ANNUAL CAP UNDER THE PROPERTY LEASING FRAMEWORK AGREEMENT

Due to the rising market leasing price and the leasing need of the Company, the Board estimates that the total value of right-of-use assets involved in the leasing of certain properties and auxiliary facilities from CCCG Group to the Group pursuant to the Property Leasing Framework Agreement will probably exceed the existing annual cap for the year ended 31 December 2019. Therefore, on 23 December 2019, the Company and CCCG entered into the supplemental agreement to the Property Leasing Framework Agreement to revise the existing annual cap for the total value of right-of-use assets involved in the leasing thereunder for the year ended 31 December 2019 from RMB200 million to RMB230 million.

Details of the revision are set out as below:

Transaction	Total value of right-of-use assets involved as at 30 June 2019	Existing annual cap for the year ended 31 December 2019	Revised annual cap for the year ended 31 December 2019 <i>RMB million</i>
Leasing of the properties and auxiliary facilities by CCCG Group to the Group	133	200	230

The revised annual cap for the total value of right-of-use assets involved in the leasing of certain properties and auxiliary facilities from CCCG Group to the Group pursuant to the Property Leasing Framework Agreement is determined with reference to the following factors: (i) as CCCG proposed that the rent of the office building “中交大厦” leased to the Group was significantly lower than the market price, upon fair negotiation with CCCG and based on rent evaluation results from the entrusted third party evaluation company, the rent of the office building “中交大厦” is adjusted from RMB7/s.q.m./day, on which the Company determined the existing annual cap, to RMB8/s.q.m./day; (ii) the value of right-of-use assets calculated by discounting the estimated total annual rents of the year ended 31 December 2019 using the incremental borrowing rate of the Group as the discount rate; (iii) the total value of right-of-use assets involved in the leasing of properties and auxiliary facilities from CCCG Group to the Group as at 30 June 2019; and (iv) the demand of the Group for leasing of certain properties and auxiliary facilities owned by CCCG Group.

The Board further confirms that, as at the date of this announcement, the existing annual cap for the total value of right-of-use assets involved in the leasing of certain properties and auxiliary facilities from CCCG Group to the Group pursuant to the Property Leasing Framework Agreement for the year ended 31 December 2019 have not yet been exceeded.

Save as disclosed above, all the existing principal terms of the Property Leasing Framework Agreement remain unchanged.

## **REASONS AND BENEFITS**

From 2008 onwards, the Company has been leasing the office building “中交大厦” owned by CCCG as its office. The transaction is necessary for the Group’s production and operation. Compared with independent third parties, CCCG has more understanding of the Company’s business requirement and the Company also can benefit from CCCG’s relatively competitive offers than the surrounding real estate rental, which is in the interest of the Company and its Shareholders as a whole. In addition, the relocation of the Company’s current places of offices to other locations will also result in unnecessary costs.

## **HONG KONG LISTING RULES IMPLICATIONS**

As at the date of this announcement, CCCG is the controlling Shareholder of the Company holding approximately 57.96% 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 transaction contemplated under the Property Leasing Framework Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the revised annual cap under the Property Leasing Framework Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the Property Leasing 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.

## **CONFIRMATION BY THE BOARD**

Mr. LIU Qitao, Mr. SONG Hailiang, Mr. LIU Maoxun and Mr. QI Xiaofei, being the Directors of the Company, are also the directors of CCCG, and therefore are deemed to have a material interest 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 has or is deemed to have a material interest in the abovementioned transaction.

The Directors of the Company, including the independent non-executive Directors, having made all reasonable and due enquiries, are of the view that the Property Leasing Framework Agreement and the transaction 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 of the Company, including the independent non-executive Directors, are also of the view that the terms and revised annual cap of the transaction under such agreement 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. 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, environmental protection and land reclamation at home and abroad. The Company is primarily 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 past six decades.

CCCG is a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company holding approximately 57.96% 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, 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/or 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(s)”	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
“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
“Property Leasing Framework Agreement”	the property leasing framework agreement entered into between the Company and CCCG on 2 January 2019 as amended by the supplemental agreement entered into on 23 December 2019
“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  
23 December 2019

*As at the date of this announcement, the directors of the Company are LIU Qitao, SONG Hailiang, LIU Maoxun, QI Xiaofei, HUANG Long<sup>#</sup>, ZHENG Changhong<sup>#</sup> and NGAI Wai Fung<sup>#</sup>.*

<sup>#</sup> *Independent non-executive Directors of the Company*