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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 HAIFENG

**(1) ENTERING INTO THE SUPPLEMENTAL AGREEMENT TO
THE PRODUCT LEASING FRAMEWORK AGREEMENT;**

AND

**(2) ENTERING INTO THE LABOR SUBCONTRACTING AND
PROFESSIONAL SUBCONTRACTING FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 30 August 2022, in relation to, among others, the entering into the Product Leasing Framework Agreement with CCCC Haifeng. According to the business development, the Board estimates that the rents to be received by CCCC Haifeng Group for leasing of engineering products to the Group pursuant to the Product Leasing Framework Agreement will probably exceed the existing annual cap for the year ending 31 December 2023. Therefore, on 30 October 2023, the Company and CCCC Haifeng entered into the Supplemental Agreement to revise the existing annual cap of rents to be received by CCCC Haifeng Group for leasing of engineering products to the Group under the existing Product Leasing Framework Agreement for the year ending 31 December 2023 from RMB138.00 million to RMB277.80 million.

On 30 October 2023, the Company and CCCC Haifeng entered into the Labor Subcontracting and Professional Subcontracting Framework Agreement, pursuant to which the Group agreed to provide the labor subcontracting and professional subcontracting services to CCCC Haifeng Group during the term of such agreement.

CCCC Haifeng is a subsidiary of the Company. As at the date of this announcement, CCGG (being the controlling Shareholder holding approximately 59.47% interests in the issued ordinary shares of the Company) holds 20% interests in CCCC Haifeng through its subsidiary, CCCC Industrial Investment. Therefore, CCCC Haifeng is a connected subsidiary of the Company pursuant to Rule 14A.16 of the Hong Kong Listing Rules. As such, the Supplemental Agreement and the Labor Subcontracting and Professional Subcontracting Framework Agreement and the respective transactions contemplated thereunder 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 under the Supplemental Agreement exceeds 0.1% but is less than 5%, the Supplemental Agreement and the transactions contemplated thereunder are subject to the announcement requirement, but are exempt from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the proposed annual cap under the Labor Subcontracting and Professional Subcontracting Framework Agreement exceeds 0.1% but is less than 5%, the Labor Subcontracting and Professional Subcontracting Framework Agreement and the transactions contemplated thereunder are subject to the announcement requirement, but are exempt from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

I. ENTERING INTO THE SUPPLEMENTAL AGREEMENT

Reference is made to the announcement of the Company dated 30 August 2022, in relation to, among others, the entering into the Product Leasing Framework Agreement with CCCC Haifeng. According to the business development, the Board estimates that the rents to be received by CCCC Haifeng Group for leasing of engineering products to the Group pursuant to the Product Leasing Framework Agreement will probably exceed the existing annual cap for the year ending 31 December 2023. Therefore, on 30 October 2023, the Company and CCCC Haifeng entered into the Supplemental Agreement to revise the existing annual cap of rents to be received by CCCC Haifeng Group for leasing of engineering products to the Group under the existing Product Leasing Framework Agreement for the year ending 31 December 2023 from RMB138.00 million to RMB277.80 million.

Revision of the Existing Annual Cap

As all the leases to be entered into under the Product Leasing Framework Agreement are short-term leases, the rents to be received by CCCC Haifeng Group for leasing of engineering products to the Group under the Product Leasing Framework Agreement will be recognized as expenses in the Group's consolidated statement of profit or loss. The revised annual cap is detailed as follows:

RMB million

Transaction	Actual amount for the year ended 31 December 2022	Actual amount for the six months ended 30 June 2023	Existing annual cap for the year ending 31 December 2023	Revised annual cap for the year ending 31 December 2023
Leasing of engineering products by CCCC Haifeng Group to the Group	48.00	68.00	138.00	277.80

The revised annual cap of rents to be received by CCCC Haifeng Group for leasing of engineering products to the Group under the Product Leasing Framework Agreement is determined with reference to the following factors: (i) the demand of the Group for leasing of engineering products owned by CCCC Haifeng Group. CCCC Haifeng has newly built 4 ships. The Group has further developed its offshore business, and plans to accelerate the construction of related projects by the end of the year, and therefore needs to lease these newly-built ships and renew the lease of the other 3 ships owned by CCCC Haifeng Group to promote the process of the offshore projects; and (ii) the prevailing rent level of engineering products.

The Board further confirms that, as at the date of this announcement, the existing annual cap of rents to be received by CCCC Haifeng Group for leasing of engineering products to the Group under the Product Leasing Framework Agreement for the year ending 31 December 2023 has not yet been exceeded. The Company will continue to closely monitor the transaction amounts under the Product Leasing Framework Agreement and where any further adjustments to the annual caps (including the existing annual cap for the year ending 31 December 2024) under the Product Leasing Framework Agreement are foreseeable (if any), the Company will re-comply with the applicable requirements of the Hong Kong Listing Rules and fulfill its disclosure obligations pursuant thereto in a timely manner (if necessary).

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

II. ENTERING INTO THE LABOR SUBCONTRACTING AND PROFESSIONAL SUBCONTRACTING FRAMEWORK AGREEMENT

1. Background

On 30 October 2023, the Company and CCCC Haifeng entered into the Labor Subcontracting and Professional Subcontracting Framework Agreement, pursuant to which the Group agreed to provide the labor subcontracting and professional subcontracting services to CCCC Haifeng Group during the term of such agreement.

2. Labor Subcontracting and Professional Subcontracting Framework Agreement

The principal terms of the Labor Subcontracting and Professional Subcontracting Framework Agreement are set out as follows:

Date

30 October 2023

Parties

- (1) the Company; and
- (2) CCCC Haifeng

Term

From the date of the agreement to 31 December 2023

Description of the transaction

The Group agreed to provide the labor subcontracting and professional subcontracting services to CCCC Haifeng Group, including the installation as well as the operation and maintenance services for the offshore wind power equipment, which specifically consists of the installation as well as the operation and maintenance of the offshore wind power equipment, the design, construction, operation, management and dismantlement of temporary supporting facilities, together with the consultation and management services and other business.

Price determination

The fees to be received by the Group for providing labor subcontracting and professional subcontracting services to CCCC Haifeng Group shall be determined at arm's length negotiation between the parties in the following order:

- (i) if relevant services are subject to government-prescribed price, the prices thereof shall be determined by the parties according to such government-prescribed price, which represents the price determined in accordance with the laws, regulations, decisions, orders or pricing policies of relevant government authorities; or
- (ii) if relevant services are not subject to government-prescribed price, the prices thereof shall be determined by the parties with reference to the market price, which represents (a) the price for provision of the same or similar services by the independent third parties located in the same region or adjacent areas on normal commercial terms in the ordinary course of business; or (b) the price for provision of the same or similar services by the independent third parties in the PRC on normal commercial terms in the ordinary course of business; or
- (iii) if relevant services are subject to neither government-prescribed price nor market price, the prices thereof shall be determined by the parties with reference to the cost price plus reasonable profit margin (approximately 5%-8%, depending on the specific circumstances of the project), and the cost price represents (a) the fees incurred by one party for providing such services, such as labor fees or machinery fees, if any, etc.; and (b) the fees incurred by one party for receiving such services from third parties together with the additional fees arising from transferring such services to the other party.

The Group will assess and review the fairness and reasonableness of the quotations made by the Group to CCCC Haifeng Group for the services under the Labor Subcontracting and Professional Subcontracting Framework Agreement with reference to the quotations made by the Group to three independent third parties for similar services.

The abovementioned fees for the labor subcontracting and professional subcontracting services and relevant periodic reports will be submitted to the independent non-executive Directors for their annual review on the pricing so as to ensure its fairness and reasonableness. The Directors consider such methods and procedures can ensure that the transactions will be conducted on normal commercial terms and will not prejudice the interests of the Company and its Shareholders.

Payment

The specific payment terms (including time and method of payment) for providing the labor subcontracting and professional subcontracting services by the Group to CCCC Haifeng 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 the Group to independent third parties.

3. Proposed Annual Cap and Basis of Determination

The proposed annual cap for the fees charged by the Group for the provision of labor subcontracting and professional subcontracting to CCCC Haifeng Group for the period ending 31 December 2023 is RMB122.75 million.

In estimating the proposed annual cap under the Labor Subcontracting and Professional Subcontracting Framework Agreement, the Company has mainly considered the following factors: (i) the prevailing market prices for service fees charged for the same or similar labor subcontracting and professional subcontracting; and (ii) surging demand from CCCC Haifeng Group for construction, operation, management and other installation as well as operation and maintenance services of offshore wind power equipment due to its recent winning of bids in large-scale offshore wind power projects in many places in Guangdong province and Fujian province, including but not limited to 350MW offshore wind power capacity increase project of Jieyang Shenquan Phase II by SPIC, subcontracting of technical service project for optimization of large parts of 20 wind turbines in sea area of Yangjiang of Guangdong province, and technical service project for optimization of large parts of 10 wind turbines in sea area of Yangjiang of Guangdong province.

The Company confirms that, as at the date of this announcement, the fees charged by the Group for the provision of labor subcontracting and professional subcontracting to CCCC Haifeng Group fall below the de minimis threshold under the Hong Kong Listing Rules.

If the Labor Subcontracting and Professional Subcontracting Framework Agreement is renewed after the expiry of its term as agreed between the parties, the Company will fulfill its further disclosure obligations in a timely manner pursuant to the applicable requirements of the Hong Kong Listing Rules (if necessary).

III. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

1. Supplemental Agreement

The ships built and owned by CCCC Haifeng are the intelligent and green offshore wind power installation platforms of the leading level in China at present, with strong market competitiveness. Given the cooperative relationship between the Group and CCCC Haifeng Group, CCCC Haifeng Group has a better understanding of the business of the Group, and the leasing of engineering products from CCCC Haifeng Group can better guarantee the technical standards, quality, delivery and technical support of the products to meet the requirements of the Group, which will also help reduce the administrative and transportation expenses of the Group and is in the best interests of the Group.

2. Labor Subcontracting and Professional Subcontracting Framework Agreement

The Group provides installation and operation and maintenance services for the construction and operation of offshore wind power equipment and other projects that may be undertaken by CCCC Haifeng Group. As such projects are within the business scope of CCCC Haifeng Group, and CCCC Haifeng Group is expanding the business volume of such projects, the supporting installation and operation and maintenance services are required. The Directors consider that the provision of labor subcontracting and professional subcontracting services to CCCC Haifeng Group will facilitate the stabilisation of the Group's business and will benefit the performance of the Group. In addition, the price and terms of the labor subcontracting and professional subcontracting services provided by the Group to CCCC Haifeng Group are neither lower nor unfavourable than those entered into with independent third parties by the Company.

IV. HONG KONG LISTING RULES IMPLICATIONS

CCCC Haifeng is a subsidiary of the Company. As at the date of this announcement, CCCG (being the controlling Shareholder holding approximately 59.47% interests in the issued ordinary shares of the Company) holds 20% interests in CCCC Haifeng through its subsidiary, CCCC Industrial Investment. Therefore, CCCC Haifeng is a connected subsidiary of the Company pursuant to Rule 14A.16 of the Hong Kong Listing Rules. As such, the Supplemental Agreement and the Labor Subcontracting and Professional Subcontracting Framework Agreement and the respective transactions contemplated thereunder 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 under the Supplemental Agreement exceeds 0.1% but is less than 5%, the Supplemental Agreement and the transactions contemplated thereunder are subject to the announcement requirement, but are exempt from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the proposed annual cap under the Labor Subcontracting and Professional Subcontracting Framework Agreement exceeds 0.1% but is less than 5%, the Labor Subcontracting and Professional Subcontracting Framework Agreement and the transactions contemplated thereunder are subject to the announcement requirement, but are exempt from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

V. CONFIRMATION BY THE DIRECTORS

Mr. WANG Tongzhou, Mr. WANG Haihuai, Mr. LIU Xiang and Mr. MI Shuhua, the Directors, are also directors or senior management of CCCG, and therefore are deemed to have material interests in the abovementioned 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 abovementioned continuing connected transactions.

Having made all reasonable and due enquiries, the Directors (including the independent non-executive Directors) are of the view that the abovementioned continuing connected transactions are entered into on normal commercial terms in the ordinary or usual course of business of the Company, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

VI. GENERAL INFORMATION

(1) The Company

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.

(2) CCCC Haifeng

CCCC Haifeng is a subsidiary of the Company incorporated in the PRC, which is mainly engaged in services such as wind power technology, information technology consultation and ship leasing, etc., and the sales of equipment related to offshore wind power, water transport equipment, offshore wind turbines and components. As at the date of this announcement, CCCC Haifeng is owned as to 37% by the Company through its subsidiary, CCCC Third Harbor Engineering Co., Ltd.* (中交第三航務工程局有限公司); as to 20% by CCCG, the controlling Shareholder through its subsidiary, CCCC Industrial Investment; and as to 20%, 10%, 10% and 3% by CTGR (the A shares of which are listed on the Shanghai Stock Exchange (stock code: 600905)), Datang Power (the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601991), and the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 00991) and the London Stock Exchange (stock code: DAT)), Guohua Investment (wholly-owned by the State Council) and Envision Energy, respectively. Envision Energy is directly held as to 99.99% equity interests by Envision Energy International Limited. To the Company's best knowledge, Envision Energy is beneficially owned by several shareholders, and only one shareholder, Mr. Zhang Lei (張雷先生), owns more than 30% equity interests and no other shareholders own 10% or more equity interests.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, CTGR, Datang Power, Guohua Investment and Envision Energy and their ultimate beneficial owners are independent third parties of the Company and its connected persons.

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
“CCCC Haifeng”	CCCC Haifeng Wind Power Development Co., Ltd., a limited liability company incorporated in the PRC, and a connected subsidiary of the Company as at the date of this announcement
“CCCC Haifeng Group”	CCCC Haifeng and its subsidiaries
“CCCC Industrial Investment”	CCCC Industrial Investment Holding Limited, a wholly-owned subsidiary of CCCG as at the date of this announcement
“CCCG”	China Communications Construction Group (Limited), a wholly state-owned company incorporated on 8 December 2005 in the PRC which currently holds approximately 59.47% equity interests in the Company
“Company”	China Communications Construction Company Limited, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Hong Kong Stock Exchange 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
“CTGR”	China Three Gorges Renewables (Group) Co., Ltd., a joint stock limited company incorporated in the PRC and an independent third party
“Datang Power”	Datang International Power Generation Co., Ltd., a sino-foreign joint stock limited company incorporated in the PRC and an independent third party

“Director(s)”	the director(s) of the Company
“Envision Energy”	Envision Energy Co., Ltd., a company incorporated in the PRC with limited liability
“Guohua Investment”	Guohua Energy Investment Co., Ltd., a company incorporated in the PRC with limited liability
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Labor Subcontracting and Professional Subcontracting Framework Agreement”	the labor subcontracting and professional subcontracting framework agreement entered into between the Company and CCCC Haifeng on 30 October 2023
“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
“Product Leasing Framework Agreement”	the product leasing framework agreement entered into between the Company and CCCC Haifeng on 30 August 2022
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council
“Shareholder(s)”	the shareholder(s) of the Company
“State Council”	the State Council of the People’s Republic of China

“Supplemental Agreement” the supplemental agreement of the Product Leasing Framework Agreement entered into between the Company and CCCC Haifeng on 30 October 2023

“%” percent

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

Beijing, the PRC
30 October 2023

As at the date of this announcement, the Directors of the Company are WANG Tongzhou, WANG Haihui, LIU Xiang, MI Shuhua, LIU Hui[#], CHAN Wing Tak Kevin[#], WU Guangqi[#] and ZHOU Xiaowen[#].

[#] *Independent non-executive Director*

^{*} *For identification purpose only*