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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**  
**CONNECTED TRANSACTION: DISPOSAL OF SHARES**  
**IN CCCC RESOURCE**

On 22 December 2017, an Equity Transfer Agreement was entered into between CHEC (a wholly-owned subsidiary of the Company), International Engineering Branch (a branch of the Company) and CCCC Industrial Investment (a wholly-owned subsidiary of CCCG), pursuant to which CHEC and International Engineering Branch have conditionally agreed to sell and CCCC Industrial Investment has conditionally agreed to acquire the entire shares in CCCC Resource, at a consideration of US\$24.5472 million (equivalent to approximately HK\$191.9223 million) in cash.

Upon the completion of the Proposed Disposal, CHEC and International Engineering Branch will no longer hold any shares in CCCC Resource. Therefore, CCCC Resource will cease to be a subsidiary of the Company, and its financial results will not be consolidated into the consolidated financial statements of the Company.

As at the date of this announcement, CCCC Industrial Investment is a subsidiary of CCCG, which holds approximately 63.84% interests in the Company. CCCC Industrial Investment is thus a connected person of the Company. As such, the Proposed Disposal constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Disposal exceeds 0.1% but is less than 5%, the Proposed Disposal is subject to the announcement requirement but is exempt from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

**BACKGROUND**

On 22 December 2017, an Equity Transfer Agreement was entered into between CHEC (a wholly-owned subsidiary of the Company), International Engineering Branch (a branch of the Company) and CCCC Industrial Investment (a wholly-owned subsidiary of CCCG), pursuant to which CHEC and International Engineering Branch have conditionally agreed to sell and CCCC Industrial Investment has conditionally agreed to acquire the entire shares in CCCC Resource, at a consideration of US\$24.5472 million (equivalent to approximately HK\$191.9223 million) in cash.

Upon the completion of the Proposed Disposal, CHEC and International Engineering Branch will no longer hold any shares in CCCC Resource. Therefore, CCCC Resource will cease to be a subsidiary of the Company, and its financial results will not be consolidated into the consolidated financial statements of the Company.

## **EQUITY TRANSFER AGREEMENT**

The principal terms of the Equity Transfer Agreement are set out as follows:

### **Date of the Agreement**

22 December 2017

### **Parties**

- (1) Transferor: CHEC and International Engineering Branch; and
- (2) Transferee: CCCC Industrial Investment

### **The Assets to be Disposed of**

Pursuant to the terms and conditions of the Equity Transfer Agreement, CHEC has agreed to sell and CCCC Industrial Investment has agreed to acquire 60% of the shares in CCCC Resource; and International Engineering Branch has agreed to sell and CCCC Industrial Investment has agreed to acquire the remaining 40% of the shares in CCCC Resource.

### **Consideration**

Pursuant to the Equity Transfer Agreement, the consideration for the Proposed Disposal is US\$24.5472 million (equivalent to approximately HK\$191.9223 million), among which the consideration for the disposal of 60% of the shares in CCCC Resource held by CHEC is US\$14.7283 million (equivalent to approximately HK\$115.1532 million), and the consideration for the disposal of 40% of the shares in CCCC Resource held by International Engineering Branch is US\$9.8189 million (equivalent to approximately HK\$76.7691 million).

The consideration for the Proposed Disposal was determined after arm's length negotiation by reference to the appraised net assets value of CCCC Resource as at 30 September 2016 (i.e. the valuation date) of US\$24.5472 million (equivalent to approximately HK\$191.9223 million) as set forth in the assets valuation report prepared by a qualified independent PRC valuer adopting the asset-based approach.

### **Payment**

The consideration shall be paid in three installments as follows:

- (1) CCCC Industrial Investment shall pay each of CHEC and International Engineering Branch 50% of the consideration for the disposal of their respective shares in RMB within 15 business days from the effective date of the Equity Transfer Agreement;

- (2) Within 15 business days from the completion date of relevant procedures for the change in the entire equity interests in CCCC Resource in Mauritius, CCCC Industrial Investment shall pay each of CHEC and International Engineering Branch 40% of the consideration for the disposal of their respective shares in RMB; and
- (3) The remaining 10% of the consideration will be reserved as the retention money and will be paid by CCCC Industrial Investment to each of CHEC and International Engineering Branch in RMB following the three years after the procedure for the change in CCCC Resource's equity interests has been completed in the event that there are no matters occurring to CCCC Resource (or its holding companies) which will affect the appraised value of the equity interests and should be disclosed but have not been disclosed by CHEC and International Engineering Branch.

The exchange rate of US\$ against RMB shall be translated based on the median exchange rate of US\$ against RMB for the business day before the payment of consideration in each installment.

### **Conditions Precedent**

The Equity Transfer Agreement shall become effective upon the fulfillment of the following conditions:

- (1) The Equity Transfer Agreement was duly signed by CHEC, International Engineering Branch and CCCC Industrial Investment; and
- (2) The Equity Transfer Agreement has been authorized and approved by the respective governing body of CHEC, International Engineering Branch and CCCC Industrial Investment (including the board, shareholders' meeting or superior company, as the case may be).

### **REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL**

The Company is a leading integrated service provider for ultra-large infrastructure in the global market, and its core business is providing various customers in all parts of the world with integrated solution services for transportation infrastructure projects in the areas of investment, design, construction, operation and management. Currently, CCCC Resource is primarily engaged in investment in resources overseas, especially in Africa. The salt development of Djibouti Salt Investment Company\*(吉布提鹽業投資公司) in which CCCC Resource is interested has a further need for optimization of production and logistics and formation of a specialized marketing team to explore the markets in neighboring countries, which calls for large amounts of investments in future and shares limited synergies with the Company's business of transportation infrastructure. The transfer of the shares in CCCC Resource may therefore allow the Company to concentrate more on and make more centralized investment in its principal activities, to further strengthen its core competitiveness and also help further enhance its profitability.

The total gain from the Proposed Disposal is expected to be US\$2.5472 million (equivalent to approximately HK\$19.9153 million), which is calculated based on historical cost and other factors. In light of the specific circumstances of the Company, the proceeds from the Proposed Disposal will be used flexibly to replenish our working capital, repay our bank loans and invest in projects, etc.

## INFORMATION ON CCCC RESOURCE

CCCC Resource was incorporated in Mauritius on 15 November 2015 and is principally engaged in the construction of a platform for investment in the resources overseas, especially in Africa. It currently holds 65% equity interests in Djibouti Salt Investment Company.

According to the unaudited consolidated financial statements prepared by CCCC Resource in accordance with the International Financial Reporting Standards, the net asset value of CCCC Resource as at 30 June 2017 was US\$30,397,464.92 (equivalent to approximately HK\$237,662,579.48). Set out below is the net profit/(loss) attributable to CCCC Resource under the International Financial Reporting Standards for the past two financial years (before and after taxes and extraordinary items):

	For the year ended 31 December			
	2016		2015	
	US\$	HK\$	US\$	HK\$
Net profit/(loss) after taxes and extraordinary items	(928,639.06)	(7,260,564.49)	/	/
Net profit/(loss) before taxes and extraordinary items	(928,639.06)	(7,260,564.49)	/	/

## CONFIRMATION FROM THE DIRECTORS

Mr. LIU Qitao and Mr. CHEN Fenjian, being the Directors of the Company, are also directors of CCCG and therefore deemed to have a material interest in the Proposed Disposal and have abstained from voting on the relevant Board resolutions. Save for Mr. LIU Qitao and Mr. CHEN Fenjian, none of the other Directors of the Company has or is deemed to have a material interest in the above transactions.

The Directors (including the independent non-executive Directors), having made all reasonable and due inquiries, are of the opinion that the terms of the Equity Transfer Agreement are fair and reasonable and on normal commercial terms and that the Proposed Disposal, although not conducted in the ordinary and usual course of business of the Company, is in the interests of the Company and the Shareholders as a whole.

## HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, CCCC Industrial Investment is a subsidiary of CCCG, which holds approximately 63.84% interests in the Company. CCCC Industrial Investment is thus a connected person of the Company. As such, the Proposed Disposal constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Disposal exceeds 0.1% but is less than 5%, the Proposed Disposal is subject to the announcement requirement but is exempt from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

## GENERAL INFORMATION

### (1) The Company

The Company is a leading transportation infrastructure enterprise in the PRC with its core businesses of infrastructure construction, infrastructure design and dredging. It 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.

## (2) CHEC

CHEC is a wholly-owned subsidiary of the Company incorporated in the PRC and is primarily engaged in basic infrastructure construction, such as marine engineering, roads and bridges, railway, airports, complete and other projects.

## (3) International Engineering Branch

International Engineering Branch is a branch of the Company incorporated in the PRC and is primarily engaged in the technique consulting service, engineering design, survey, supervision and construction contracting service.

## (4) CCCC Industrial Investment

CCCC Industrial Investment is a company incorporated in the PRC with limited liability and a wholly-owned company of CCCG, and is primarily engaged in building a specialized platform for international cooperation in production capacity and service provider for investment and operation in industrial parks. It integrates advantageous resources at home and abroad and profoundly participates in international cooperation in production capacity under the “One Belt, One Road” policy.

## 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 Industrial Investment”	CCCC Industrial Investment Holding Limited (中交產業投資控股有限公司), a wholly-owned subsidiary of CCCG
“CCCC Resource”	CCCC Resource Investment Co., Ltd. (中交資源投資有限公司), a company incorporated in Mauritius with limited liability, 60% and 40% of the shares of which are held by CHEC and International Engineering Branch respectively as at the date of this announcement
“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
“CHEC”	China Harbour Engineering Company Ltd. (中國港灣工程有限責任公司), a wholly-owned subsidiary of the Company
“Company”	China Communications Construction Company Limited, a joint stock limited company incorporated in the PRC, the H shares of which are listed on The Stock Exchange of Hong Kong Limited under the stock code 1800 and the A shares of which are listed on the Shanghai Stock Exchange under the 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
“Equity Transfer Agreement”	the equity transfer agreement dated 22 December 2017 entered into among CHEC, International Engineering Branch and CCCC Industrial Investment in respect of the Proposed Disposal
“HK\$”	the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“International Engineering Branch”	China Communications Construction Company Limited International Engineering Branch* (中國交通建設股份有限公司國際工程分公司), a branch of the Company
“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
“Proposed Disposal”	the proposed disposal of 60% and 40% of shares in CCCC Resource by CHEC and International Engineering Branch respectively to CCCC Industrial Investment pursuant to the Equity Transfer Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“US\$”	the lawful currency of the United States
“%”	percent

*For the purpose of this announcement, unless the context otherwise requires, conversion of US\$ into HK\$ is based on the approximate exchange rate of US\$1.00 to HK\$7.8185. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in US\$ or HK\$ have been, could have been or may be converted at such or any other rate or at all.*

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

Beijing, the PRC  
22 December 2017

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

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

<sup>\*</sup> *For identification purpose only*