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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  
FORMATION OF A JOINT VENTURE**

The Board is pleased to announce that on 1 February 2018, CCCC Investment, CCCC Southwest Investment (both wholly-owned subsidiaries of the Company) and Greentown Town Group (a non-wholly owned subsidiary of CCCG) entered into the Shareholders' Agreement in connection with the formation of the Joint Venture. Pursuant to the Shareholders' Agreement, the registered capital of the Joint Venture is RMB400 million, of which RMB184 million, RMB180 million and RMB36 million will be contributed by CCCC Investment, Greentown Town Group and CCCC Southwest Investment, accounting for 46%, 45% and 9% of the total registered capital of the Joint Venture, respectively.

Upon establishment of the Joint Venture, the Company will indirectly hold an aggregate of 55% of the equity interests in the Joint Venture. Therefore, the Joint Venture will be a subsidiary of the Company, and its financial results will be consolidated into those of the Group.

As at the date of this announcement, Greentown Town Group is a subsidiary of CCCG, and CCCG is the controlling Shareholder of the Company, which holds approximately 63.84% interests in the Company. Greentown Town Group is thus a connected person of the Company. As such, the formation of the Joint Venture under the Shareholders' Agreement 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 formation of the Joint Venture under the Shareholders' Agreement exceeds 0.1% but is less than 5%, the Shareholders' Agreement and the transaction contemplated thereunder is subject to announcement requirement but is exempted from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

## BACKGROUND

The Board is pleased to announce that on 1 February 2018, CCCC Investment, CCCC Southwest Investment (both wholly-owned subsidiaries of the Company) and Greentown Town Group (a non-wholly owned subsidiary of CCCG) entered into the Shareholders' Agreement in connection with the formation of the Joint Venture. Pursuant to the Shareholders' Agreement, the registered capital of the Joint Venture is RMB400 million, of which RMB184 million, RMB180 million and RMB36 million will be contributed by CCCC Investment, Greentown Town Group and CCCC Southwest Investment, accounting for 46%, 45% and 9% of the total registered capital of the Joint Venture, respectively.

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## SHAREHOLDERS' AGREEMENT

The principal terms of the Shareholders' Agreement are set out as follows:

**Date:** 1 February 2018

**Parties:**

- (1) CCCC Investment;
- (2) Greentown Town Group; and
- (3) CCCC Southwest Investment

<b>Registered Capital:</b>	<b>Shareholder</b>	<b>Capital Contribution</b> <i>RMB' million</i>	<b>Percentage</b> %
	CCCC Investment	184	46
	Greentown Town Group	180	45
	CCCC Southwest Investment	36	9
	<b>Total</b>	<b>400</b>	<b>100</b>

The amount of the capital contributions under the Shareholders' Agreement was determined after arm's length negotiations among the parties, taking into account various factors, including the nature of the business, the demand for working capital and future development plans of the Joint Venture.

- Payment of the Capital Contribution:** 50% of the capital contributions (i.e. RMB200 million) shall be made within five business days after the issuance date of the business license of the Joint Venture, and the remaining capital contributions shall be made based on the actual operation demands of the Joint Venture subject to the approval of its shareholders. All the capital contributions shall be settled in cash and the parties shall fulfill their respective contribution obligations in proportion to their shareholdings in the Joint Venture.
- Business Scope:** The business scope of the Joint Venture is expected to include primary land development, infrastructure, ancillary facilities, real estate development, characteristic towns, pastoral complex, agricultural industry services, cultural tourism, health and elderly care services and other ancillary industries; planning, consultation, survey, design, engineering contracting, investment and finance, operation, management of the abovementioned businesses, investment and capital promotion within the industry, procurement and supply of related full set equipment and materials as well as equipment installation.
- Board of Directors:** The board of directors of the Joint Venture comprises five directors. CCCC Investment, Greentown Town Group and CCCC Southwest Investment are entitled to nominate two, two and one director of the Joint Venture, respectively. The chairman of the board of directors shall be held by the director nominated by CCCC Investment.
- Management:** The management team of the Joint Venture comprises five members, of which one general manager will be nominated by Greentown Town Group, three vice general managers will be nominated by each of CCCC Investment, Greentown Town Group and CCCC Southwest Investment, and one chief financial officer will be nominated by CCCC Investment.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The goal of establishing the Joint Venture is to carry out the preliminary work of the China Agricultural Expo Town Project, and build characteristic towns, pastoral complexes and other projects. Greentown Town Group has leading concepts in town development and enjoys years of experiences and knowledge and is highly capable of providing services to different towns. Meanwhile, the brand value of “Greentown” is excellent, and the cooperation between the Company and Greentown will enable the Company to achieve complementary advantages and improve its town development and operation capacities, thus ensuring project quality and boosting project reputation, which in turn contributes to the Company’s expansion in its real estate business as well as realisation of benefits for the Company and its Shareholders as a whole.

## **CONFIRMATION FROM DIRECTORS**

Mr. LIU Qitao and Mr. CHEN Fenjian, being Directors of the Company, are also directors of CCCG and therefore are deemed to have material interests in the formation of the Joint Venture under the Shareholder's Agreement and have abstained from voting on the relevant Board resolution. 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 abovementioned transaction.

The Directors (including the independent non-executive Directors), having made all reasonable and due inquiries, are of the opinion that the terms of the Shareholders' Agreement and the transaction contemplated thereunder are on normal commercial terms after arm's length negotiation, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **HONG KONG LISTING RULES IMPLICATIONS**

As at the date of this announcement, Greentown Town Group is a subsidiary of CCCG, and CCCG is the controlling Shareholder of the Company, which holds approximately 63.84% interests in the Company. Greentown Town Group is thus a connected person of the Company. As such, the formation of the Joint Venture under the Shareholders' Agreement 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 formation of the Joint Venture under the Shareholders' Agreement exceeds 0.1% but is less than 5%, the Shareholders' Agreement and the transaction contemplated thereunder is subject to announcement requirement but is exempted 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) CCCC Investment**

CCCC Investment is a wholly-owned subsidiary of the Company incorporated in the PRC and is primarily engaged in investing in infrastructure including foreign and domestic traffic, environmental protection and reclamation projects, and areas such as logistics, real estate and finance, as well as leasing office and commercial buildings.

### **(3) CCCC Southwest Investment**

CCCC Southwest Investment is a wholly-owned subsidiary of the Company incorporated in the PRC and is primarily engaged in investing in projects of transport infrastructure, urban complexes, real estate, projects in areas of resources, raw materials and high and new technology as well as investing in and managing projects in logistics industry, hotel industry and tourism industry.

#### (4) Greentown Town Group

Greentown Town Group is a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of CCCG, and is primarily engaged in area planning, design and management, real estate development and operation, building design and construction, landscape engineering, engineering management and engineering and municipal facilities management.

#### 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 Investment”	CCCC Investment Co., Ltd.* (中交投資有限公司), a wholly-owned subsidiary of the Company
“CCCC Southwest Investment”	CCCC Southwest Investment and Development Co., Ltd.* (中交西南投資發展有限公司), a wholly-owned subsidiary 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
“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
“Greentown Town Group”	Greentown Ideal Town Construction Group Co., Ltd.* (綠城理想小鎮建設集團有限公司), a company established in the PRC with limited liability and a non-wholly owned subsidiary of CCCG
“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
“Joint Venture”	CCCC Greentown Investment and Development Co., Ltd.* (中交綠城投資發展有限公司), a company proposed to be established in the PRC with limited liability, the name of which is subject to the approval by the administration for industry and commerce

“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”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Shareholders’ Agreement”	the shareholders’ agreement dated 1 February 2018 entered into among CCCC Investment, Greentown Town Group and CCCC Southwest Investment in connection with the formation of the Joint Venture
“%”	percent

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

Beijing, the PRC  
1 February 2018

*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*