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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 PROJECT COMPANY

The Board is pleased to announce that on 12 September 2018, to jointly develop the expressway network PPP engineering project (phase III) in Yancheng City, the Company together with its subsidiaries, namely CFHEC and CTHEC, entered into the Joint Venture Agreement with ZPMC, Yancheng Expressway and CPPPF (on behalf of CPPPF Jiangsu) in relation to the proposed formation of the Project Company. Pursuant to the Joint Venture Agreement, the registered capital of the Project Company is RMB1,156.20 million, of which RMB57.81 million, RMB115.62 million, RMB115.62 million, RMB231.24 million, RMB289.05 million and RMB346.86 million will be contributed by Yancheng Expressway, CFHEC, CTHEC, the Company, ZPMC and CPPPF Jiangsu, accounting for 5%, 10%, 10%, 20%, 25% and 30% of the total registered capital of the Project Company, respectively.

As at the date of this announcement, ZPMC is a subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 59.91% interests in the Company. ZPMC is thus a connected person of the Company. As such, the formation of the Project Company under the Joint Venture 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 Project Company under the Joint Venture Agreement exceeds 0.1% but is less than 5%, the Joint Venture 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 12 September 2018, to jointly develop the expressway network PPP engineering project (phase III) in Yancheng City, the Company together with its subsidiaries, namely CFHEC and CTHEC, entered into the Joint Venture Agreement with ZPMC, Yancheng Expressway and CPPPF (on behalf of CPPPF Jiangsu) in relation to the proposed formation of the Project Company. Pursuant to the Joint Venture Agreement, the registered capital of the Project Company is RMB1,156.20 million, of which RMB57.81 million, RMB115.62 million, RMB115.62 million, RMB231.24 million, RMB289.05 million and RMB346.86 million will be contributed by Yancheng Expressway, CFHEC, CTHEC, the Company, ZPMC and CPPPF Jiangsu, accounting for 5%, 10%, 10%, 20%, 25% and 30% of the total registered capital of the Project Company, respectively.

JOINT VENTURE AGREEMENT

The principal terms of the Joint Venture Agreement are set out as follows:

- Date:** 12 September 2018
- Parties:**
- (1) Yancheng Expressway;
 - (2) the Company;
 - (3) CFHEC;
 - (4) CTHEC;
 - (5) ZPMC; and
 - (6) CPPPF (on behalf of CPPPF Jiangsu).

Registered capital:	Shareholder	Capital contribution <i>RMB' million</i>	Percentage <i>%</i>
	Yancheng Expressway	57.81	5
	CFHEC	115.62	10
	CTHEC	115.62	10
	the Company	231.24	20
	ZPMC	289.05	25
	CPPPF Jiangsu	<u>346.86</u>	<u>30</u>
	Total	<u>1,156.20</u>	<u>100</u>

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

Payment of the capital contribution:

The initial capital contribution of RMB200 million shall be made within 30 days from the incorporation date of the Project Company, and the remaining capital contributions shall be made within the construction period based on the progress of the development and financing of the project. 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 Project Company.

Business scope:

The business scope of the Project Company is expected to include the investment, construction, management, operation and maintenance of the urban expressway network engineering projects; the bidding, general contracting, management and maintenance of the engineering projects; and the wholesale and retail of the construction materials and machinery (subject to the approval by the administration for industry and commerce).

Board of directors:

The board of directors of the Project Company comprises seven directors. Each of Yancheng Expressway, CPPPF Jiangsu and the staff representative general meeting is entitled to nominate or elect one director of the Project Company, respectively. The Company, CFHEC, CTHEC and ZPMC are entitled to nominate four directors of the Project Company in total and one of them shall be the chairman of the board of directors.

Management:

The management team of the Project Company comprises four members, of which one general manager and one vice general manager will be nominated by the Company, CFHEC, CTHEC or ZPMC, while one vice general manager and one chief financial officer will be nominated by Yancheng Expressway.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The goal of the formation of the Project Company is to develop the expressway network PPP engineering project (phase III) in Yancheng City and help it enter into the rapid transportation economic zone centered by Shanghai City, which will in turn benefit the Company in strengthening and exploring the local markets and realize the win-win between the government and the enterprises.

CONFIRMATION FROM DIRECTORS

Mr. Liu Qitao, being the Director of the Company, is also the director of CCCG and therefore is deemed to have a material interest in the formation of the Project Company under the Joint Venture Agreement, and have abstained from voting on the relevant Board resolution. Save for Mr. Liu Qitao, 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 Joint Venture Agreement are fair and reasonable and on normal commercial terms, and the transaction contemplated thereunder is conducted in the ordinary and usual course of the business of the Company and in the interests of the Company and its Shareholders as a whole.

HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, ZPMC is a subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 59.91% interests in the Company. ZPMC is thus a connected person of the Company. As such, the formation of the Project Company under the Joint Venture 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 Project Company under the Joint Venture Agreement exceeds 0.1% but is less than 5%, the Joint Venture 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) CFHEC

CFHEC is a wholly-owned subsidiary of the Company incorporated in the PRC and is primarily engaged in the design and construction of roads, bridges, tunnels, railways and municipal projects, etc., the export and import of technologies and the leasing of office premises.

(3) CTHEC

CTHEC is a wholly-owned subsidiary of the Company incorporated in the PRC and is primarily engaged in the design and construction of domestic and overseas ports and waterways, the construction of roads, bridges, railways, tunnels, and municipal and civil engineering projects, the leasing of marine equipment and shipping.

(4) ZPMC

ZPMC is an enterprise established under the laws of the PRC and a non-wholly owned subsidiary of CCCG. ZPMC is primarily engaged in design, construction, installation and contracting of large port handling systems and equipment, heavy marine equipment, construction machinery, engineering ships, and large metal structures, their parts and accessories, ship repair, self-produced crane rental business, selling self-made products, engaged in international maritime shipping using special transport ships for shipping whole-machinery, steel structure engineering professional contracting, power engineering construction and mechanical and electrical installation engineering construction.

(5) Yancheng Expressway

Yancheng Expressway is a company incorporated in the PRC with limited liabilities and is primarily engaged in investment, construction, management, operation and maintenance of the urban expressway network engineering projects; the bidding, general contracting management and maintenance of the projects, and the wholesale and retail of construction materials and machineries.

(6) CPPPF

CPPPF, which refers to China PPP Investment Funds Co., Ltd.* (中國政企合作投資基金管理有限責任公司) in this agreement, is principally engaged in management and consultancy for non-securities investments, management of trust assets, equity investment, fund investment, corporate governance and economic information consultancy.

DEFINITIONS

In this announcement, unless the content otherwise requires, the following expressions have the following meanings:

“Board”	the board of directors 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
“CFHEC”	CCCC First Highway Engineering Co., Ltd. (中交第一公路工程局有限公司), 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
“CPPP”	China PPP Investment Funds Co., Ltd.* (中國政企合作投資基金管理有限責任公司), a company incorporated in the PRC with limited liabilities
“CPPP Jiangsu”	China PPP Fund Jiangsu* (中政企江蘇省合作基金), a contractual-type private fund set up by China PPP Investment Funds Corporation Limited* (中國政企合作投資基金股份有限公司) and Jiangsu International Trust Corporation Limited* (江蘇省國際信託有限責任公司) and jointly managed by CPPP and Jiangsu International Trust Corporation Limited
“CTHEC”	CCCC Third Harbour Engineering Co., Ltd. (中交第三航務工程局有限公司), a wholly-owned subsidiary of the Company
“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

“Joint Venture Agreement”	the joint venture agreement and the supplemental agreement dated 12 September 2018 entered into among Yancheng Expressway, the Company, CFHEC, CTHEC, ZPMC, and CPPPF (on behalf of CPPPF Jiangsu) in respect of the formation of the Project 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
“Project Company”	CCCC Yancheng Construction and Development Co., Ltd.* (中交鹽城建設發展有限公司), a company proposed to be established in the PRC with limited liabilities, the name of which is subject to the approval by the administration for industry and commerce
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Yancheng Expressway”	Yancheng Expressway Network Construction Co., Ltd.* (鹽城市快速路網建設有限公司), a company incorporated in the PRC with limited liabilities
“ZPMC”	Shanghai Zhenhua Heavy Industries Co., Ltd. (上海振華重工(集團)股份有限公司), a company incorporated on 14 February 1992 in the PRC and listed on the Shanghai Stock Exchange, and a non-wholly owned subsidiary of CCCG
“%”	percent

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

Beijing, the PRC
12 September 2018

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

[#] *Independent non-executive Director of the Company*

* *For identification purpose only*