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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 announced that, in accordance with the resolution passed at the eleventh meeting of the fourth session of the Board, on 31 October 2018, to jointly invest in the construction of the Chentang Area integrated development project in Hexi District, Tianjin, CCCC First Harbour Real Estate and CCCC Beijing-Tianjin-Hebei Investment (both are wholly-owned subsidiaries of the Company) entered into the Cooperation Framework Agreement with Greentown Northern Real Estate (a non wholly-owned subsidiary of CCG) for the formation of the Project Company. Pursuant to the Cooperation Framework Agreement, the registered capital of the Project Company is RMB1,000 million, of which Greentown Northern Real Estate, CCCC First Harbour Real Estate and CCCC Beijing-Tianjin-Hebei Investment will contribute RMB410 million, RMB390 million and RMB200 million, accounting for 41%, 39% and 20% of the total registered capital of the Project Company, respectively.

As at the date of this announcement, Greentown Northern Real Estate is a subsidiary of CCG, the controlling shareholder of the Company which holds approximately 59.91% interests in the Company. Greentown Northern Real Estate is thus a connected person of the Company. As such, the formation of the Project Company under the Cooperation Framework 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 Cooperation Framework Agreement exceeds 0.1% but is less than 5%, the Cooperation Framework Agreement and the transaction contemplated thereunder is subject to the announcement requirement but is exempted from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

## **BACKGROUND**

The Board announced that, in accordance with the resolution passed at the eleventh meeting of the fourth session of the Board, on 31 October 2018, to jointly invest in the construction of the Chentang Area integrated development project in Hexi District, Tianjin, CCCC First Harbour Real Estate and CCCC Beijing-Tianjin-Hebei Investment (both are wholly-owned subsidiaries of the Company) entered into the Cooperation Framework Agreement with Greentown Northern Real Estate (a non wholly-owned subsidiary of CCCG) for the formation of the Project Company. Pursuant to the Cooperation Framework Agreement, the registered capital of the Project Company is RMB1,000 million, of which Greentown Northern Real Estate, CCCC First Harbour Real Estate and CCCC Beijing-Tianjin-Hebei Investment will contribute RMB410 million, RMB390 million and RMB200 million, accounting for 41%, 39% and 20% of the total registered capital of the Project Company, respectively.

## **COOPERATION FRAMEWORK AGREEMENT**

The principal terms of the Cooperation Framework Agreement are set out as below:

Date: 31 October 2018

Parties: 1) CCCC First Harbour Real Estate;  
2) CCCC Beijing-Tianjin-Hebei Investment; and  
3) Greentown Northern Real Estate

Information of the project: The land parcel of the project is located on the southeastern side of the junction between the planned Chunhai Road and Shuanghai Avenue in Hexi District, Tianjin, the extent of the project stretches to the planned Nuhai Road in the east, to the planned Chunhai Road in the west, to Shuanghai Avenue in the north and to the planned Dongjiang Avenue in the south. The Project Company will participate in the tender bidding of the land parcel of the project and its subsequent development.

<b>Registered capital:</b>	<b>Shareholder</b>	<b>Capital</b>	
		<b>Contribution</b> <i>RMB' million</i>	<b>Percentage</b> <i>%</i>
	CCCC First Harbour Real Estate	390	39
	CCCC Beijing-Tianjin-Hebei Investment	200	20
	Greentown Northern Real Estate	<u>410</u>	<u>41</u>
	<b>Total</b>	<u><u>1,000</u></u>	<u><u>100</u></u>

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

**Payment of capital contribution:**

All the capital contributions shall be settled in cash and the parties shall fulfill their respective contribution obligations in proportion to their respective shareholdings in the Project Company within 30 years since the date of formation of the Project Company.

The parties have agreed that in case the Project Company has a capital gap that cannot be solved by itself, they shall provide shareholder loans to the Project Company in proportion to their respective shareholdings in the Project Company in compliance with regulatory requirements for the project development and construction and the daily operation needs of the Project Company. The Project Company shall notify the parties in writing at least ten business days in advance of the date of actual use, and shall pay interests on the loan according to the interest standard determined by the parties and the actual number of days of occupying funds. The Company will perform further disclosure obligations (if required) in due time in accordance with the requirements of the Hong Kong Listing Rules.

**Board of directors:**

The board of directors of the Project Company will comprise seven directors. CCCC First Harbour Real Estate, CCCC Beijing-Tianjin-Hebei Investment and Greentown Northern Real Estate will nominate two directors, one director and four directors, respectively. The chairman of the board of directors will be a director nominated by CCCC First Harbour Real Estate.

**Management:** The management team of the Project Company will comprise two members, of which one general manager and one chief financial officer will be appointed or recommended by Greentown Northern Real Estate.

## **INFORMATION ON THE LAND PARCEL**

The land parcel of the project is located in Hexi District, Tianjin, the PRC, with a gross site area of approximately 17,703 sqm, which is intended to be developed into residential properties with a total gross floor area of approximately 35,406 sqm and a floor area ratio of 2.0.

According to the terms of the bid for the Land, the total consideration for the land parcel of RMB760 million shall be paid by cash instalments in the manner as follows:

Stage payment	Amount paid/payable
Already paid as of 29 October 2018	RMB350 million (being the deposit for the bidding)
By 14 December 2018	50% of consideration of the land parcel. The deposit was applied to the partial settlement of such amount.
By 12 February 2019	Remaining 50% of consideration

Such consideration amount was the outcome of a public bidding announced by Tianjin Land Exchange Centre\* (天津土地交易中心).

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

The formation of the Project Company aims to jointly invest in the construction of the Chentang Area integrated development project in Hexi District, Tianjin, which will help the Company to take the lead in entering the relevant local market, seize market share and increase its market occupancy. Meanwhile, Greentown has excellent brand value, and cooperation with it can complement the Company's advantages; while giving full play to Greentown's experience in mature projects in China, it will also enhance the quality of the project and thereby enhancing the Company's revenue; and it is in the interests of the Company and its Shareholders as a whole.

## **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 Cooperation Framework Agreement, and has 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 aforesaid connected transaction.

The Directors (including independent non-executive Directors), having made all reasonable and due enquiries, are of the opinion that the terms of the Cooperation Framework Agreement are fair and reasonable and on normal commercial terms, and the transaction contemplated thereunder is conducted in the ordinary and usual course of business of the Company and is in the interests of the Company and its Shareholders as a whole.

## **IMPLICATIONS OF HONG KONG LISTING RULES**

As at the date of this announcement, Greentown Northern Real Estate is a subsidiary of CCCG, the controlling shareholder of the Company which holds approximately 59.91% interests in the Company. Greentown Northern Real Estate is thus a connected person of the Company. As such, the formation of the Project Company under the Cooperation Framework 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 Cooperation Framework Agreement exceeds 0.1% but is less than 5%, the Cooperation Framework Agreement and the transaction contemplated thereunder is subject to the 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 in infrastructure construction, infrastructure design and dredging. It is primarily engaged in providing customers with integrated solution 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 First Harbour Real Estate***

CCCC First Harbour Real Estate is a wholly-owned subsidiary of the Company incorporated in the PRC and is primarily engaged in real estate development, sales, real estate management, parking service and land consolidation.

### **(3) *CCCC Beijing-Tianjin-Hebei Investment***

CCCC Beijing-Tianjin-Hebei Investment is a wholly-owned subsidiary of the Company incorporated in the PRC and is primarily engaged in investment, development, construction and operation of transportation infrastructure, railways, highways, bridges, tracks, municipal administration, environmental protection, airports, ports, land-building

projects, urban greening and other infrastructures, investment, development, management and operation of urban complexes, investment, development, sales and leasing of real estates; property management, warehousing industry, logistics industry, information industry, manufacturing industry, airport construction, public utilities, tourism industry, cruise industry, healthcare industry, education industry, medical industry, marine industry and pension industry, high-tech, raw materials, investment and management (excluding deposits, loans, securities, futures and other financial services), engineering technology consultation, project management service, and procurement, supply and installation of related equipment and materials.

#### (4) *Greentown Northern Real Estate*

Greentown Northern Real Estate is a company incorporated in the PRC with limited liability and a non wholly-owned subsidiary of CCCG, and is primarily engaged in real estate project preparation, commodity housing sales, and property management.

## **DEFINITIONS**

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

“Board”	the board of directors of the Company
“CCCC Beijing-Tianjin-Hebei Investment”	CCCC Beijing-Tianjin-Hebei Investment and Development Co., Ltd. (中交京津冀投資發展有限公司), a wholly-owned subsidiary of the Company
“CCCC First Harbour Real Estate”	CCCC First Harbour Real Estate Development Co., Ltd. (中交一航局房地產開發有限公司), a wholly-owned subsidiary 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
“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 (Stock Code: 1800) and the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601800)
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules

“Cooperation Framework Agreement”	the cooperation framework agreement dated 31 October 2018 entered into among CCCC First Harbour Real Estate, CCCC Beijing-Tianjin-Hebei Investment and Greentown Northern Real Estate
“Director(s)”	the director(s) of the Company
“Greentown Northern Real Estate”	Tianjin Greentown Northern Real Estate Co., Ltd. (天津綠城北方置地有限公司), a company incorporated in the PRC with limited liability, and a non-wholly-owned subsidiary of CCCG
“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, for the purpose of this announcement, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Project Company”	Tianjin CCCC Greentown Urban Construction and Development Company Limited* (天津中交綠城城市建設發展有限公司) (Provisional), a company proposed to be established in the PRC with limited liability
“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  
31 October 2018

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

*# Independent non-executive Director*

*\* For identification purpose only*