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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 TO DEVELOP THE PROJECT**  
**LAND PARCEL**

The Board announced that, on 19 December 2018, CCCC Haixi, a subsidiary of the Company, entered into the Cooperation Agreement with Fuzhou Metro and Fuzhou Lurong for the formation of the Project Company and joint development of the project land parcel. Upon establishment of the Project Company, CCCC Haixi, Fuzhou Metro and Fuzhou Lurong will hold 10%, 10% and 80% equity interest in the Project Company, respectively. Accordingly, the Project Company will become a subsidiary of Fuzhou Lurong, and its financial results will be consolidated into that of Fuzhou Lurong.

As at the date of this announcement, Fuzhou Lurong is a subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 59.91% interests in the Company. Fuzhou Lurong is thus a connected person of the Company. As such, the transaction contemplated under the Cooperation 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 transaction under the Cooperation Agreement exceeds 0.1% but is less than 5%, the Cooperation 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 19 December 2018, CCCC Haixi, a subsidiary of the Company, entered into the Cooperation Agreement with Fuzhou Metro and Fuzhou Lurong for the formation of the Project Company and joint development of the project land parcel. Upon establishment of the Project Company, CCCC Haixi, Fuzhou Metro and Fuzhou Lurong will hold 10%, 10% and 80% equity interest in the Project Company, respectively. Accordingly, the Project Company will become a subsidiary of Fuzhou Lurong, and its financial results will be consolidated into that of Fuzhou Lurong.

## COOPERATION AGREEMENT

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

- Date:** 19 December 2018
- Parties:**
- 1) Fuzhou Metro;
  - 2) CCCC Haixi; and
  - 3) Fuzhou Lurong

Registered capital:	Shareholder	Amount of Capital	Percentage
		Contribution	
		<i>RMB' million</i>	<i>%</i>
	Fuzhou Metro	80	10
	CCCC Haixi	80	10
	Fuzhou Lurong	<u>640</u>	<u>80</u>
	<b>Total</b>	<u>800</u>	<u>100</u>

When capital needs arise during the development and construction of the project land parcel, all parties shall make further contributions to the Project Company in proportion to their respective shareholding percentage in the Project Company. Wherein, the capital contributions made by CCCC Haixi shall not exceed RMB231 million in total. If guarantee is required for external financing by the Project Company in future, all parties shall provide guarantee in proportion to their respective shareholding percentage in the Project Company and shall not undertake joint and several guarantee liabilities with other parties. The Company will perform further disclosure obligations, if required, in due time according to the requirements of the Hong Kong Listing Rules.

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

Payment of the capital contribution:

The parties shall pay their respective amount of capital contributions in currency in proportion to their respective shareholding percentage in the Project Company.

Scope of business:

The scope of business of the Project Company is expected to include real estate development and operation, real estate agency service, and leasing services for self-owned commercial properties.

Board of directors:

The board of directors of the Project Company will comprise five directors. Each of CCCC Haixi, Fuzhou Metro and Fuzhou Lurong is entitled to nominate one director, one director and three directors, respectively. The chairman of the board of directors will be a director nominated by Fuzhou Metro.

Management:

The management team of the Project Company will comprise five members, including one general manager, two deputy general managers and one chief financial officer appointed by Fuzhou Lurong, and one deputy chief financial officer appointed by Fuzhou Metro.

Conditions precedent:

The Cooperation Agreement shall take effect subject to, *inter alia*, approval by independent shareholders of Greentown China Holdings Limited or obtaining consent, approval letter, permission, authorization or approval as required under the Hong Kong Listing Rules and other applicable laws, regulations or rules, if necessary.

## **PROFILE OF THE PROJECT LAND PARCEL AND STATUS OF THE PROJECT**

The project land parcel is located on the eastern side of Jinzhou South Road in Cangshan District, Fuzhou, a land parcel for sale by the Jinshan Light Rail Station of Metro Line No. 2, with a site area of 49,489 square meters, equivalent to 74.23 mu. The project land parcel is intended to be developed into residential property, office, commercial property and public transportation facility with a comprehensive floor area ratio of 3.18. The Project Company will be responsible for the development of the project land parcel.

The consideration for the project land parcel is RMB1,843 million according to the public tender result published by Fuzhou Municipal Bureau of Land and Resources. Part of the consideration has been paid by cash instalments in proportion to their respective shareholding percentage by all parties in the Project Company:

<b>Stage payment</b>	<b>Amount paid</b>
Already paid as of 17 September 2018	RMB551.4 million (as bidding deposit)
Already paid as of 30 October 2018	50% of the consideration for the project land parcel, partially offset by the bidding deposit

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

The Company jointly develops the Fuzhou project with Fuzhou Metro and Fuzhou Lurong, which will help the Company to take the lead in entering the relevant local market, seize the market shares and increase its market occupancy. Meanwhile, Greentown has excellent brand value, cooperation with it can complement the Company's advantages. While giving full play to Greentown China's experience in mature projects, project quality will also be enhanced and thereby increasing the Company's revenue, which are conducive to realize the interests of the Company and its Shareholders as a whole.

## **CONFIRMATION FROM DIRECTORS**

Mr. Liu Qitao and Mr. Song Hailiang, being the Directors of the Company, are also the directors of CCCG, and therefore are deemed to have a material interest in the transaction contemplated under the Cooperation Agreement, and have abstained from voting on the relevant Board resolution. Save for the abovementioned Directors, 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 view that the terms of the Cooperation 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, Fuzhou Lurong is a subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 59.91% interests in the Company. Fuzhou Lurong is thus a connected person of the Company. As such, the transaction contemplated under the Cooperation 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 transaction under the Cooperation Agreement exceeds 0.1% but is less than 5%, the Cooperation 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 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 Haixi***

CCCC Haixi is a wholly-owned subsidiary of the Company incorporated in the PRC, and is primarily engaged in investment in and development of infrastructures such as domestic and overseas transportation, municipal, environmental protection and reclamation projects; investment in and development of city complexes and combined primary and secondary land; and investment in and management of projects in the information industry, the manufacturing industry, the offshore heavy machinery industry, the elderly industry, the high and new technologies and the financial sector.

### (3) *Fuzhou Metro*

Fuzhou Metro is a company incorporated in the PRC with limited liability, and is primarily engaged in the preparation, development and utilization of land parcels along urban rail lines; comprehensive development and operation of properties and real estates above urban rail lines; comprehensive development and operation of businesses classified as rail transportation resources, operation and management of self-occupied properties; property management; and advertising business. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Fuzhou Metro and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

### (4) *Fuzhou Lurong*

Fuzhou Lurong is a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of CCCG, it is primarily engaged in investment in real estate and trading industries.

## 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
“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
“CCCC Haixi”	CCCC Haixi Investment Company Limited* (中交海西投資有限公司), 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 Hong Kong Stock Exchange (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 Agreement”	the cooperation agreement and supplemental agreement entered into among CCCC Haixi, Fuzhou Metro and Fuzhou Lurong on 19 December 2018
“Director(s)”	the director(s) of the Company
“Fuzhou Lurong”	Fuzhou Lurong Investment Development Co., Ltd.* (福州綠榕投資發展有限公司), a company incorporated in the PRC with limited liability, and a non-wholly owned subsidiary of CCCC
“Fuzhou Metro”	Fuzhou Metro Property Co., Ltd.* (福州地鐵置業有限公司), a company incorporated in the PRC with limited liability, and an independent third party.
“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”	the project company intended to be incorporated in the PRC by CCCC Haixi, Fuzhou Metro and Fuzhou Lurong, 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
“%”	per cent

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

Beijing, the PRC  
19 December 2018

*As at the date of this announcement, the directors of the Company are LIU Qitao, SONG Hailiang, 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*

*\* For identification purpose only*