

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

**ACQUISITION OF 30% EQUITY INTEREST IN HANGZHOU ZHAOLIAN
TO DEVELOP THE PROJECT LAND PARCEL**

The Board announced that, on 4 January 2019, CCCC Urban Investment, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Greentown Zhizhen and Guangzhou Junwei, pursuant to which CCCC Urban Investment has conditionally agreed to acquire and Greentown Zhizhen has conditionally agreed to sell 30% equity interest in Hangzhou Zhaolian (being 30% equity interest in Guangzhou Lvzhen and 30% interest in the project land parcel as at the date of this announcement), Guangzhou Junwei has conditionally agreed to acquire and Greentown Zhizhen has conditionally agreed to sell 70% equity interest in Hangzhou Zhaolian (being 70% equity interest in Guangzhou Lvzhen and 70% interest in the project land parcel as at the date of this announcement).

As at the same date, CCCC Urban Investment entered into the Cooperation Agreement with Greentown Zhizhen, Guangzhou Junwei, Greentown South China, Greentown Real Estate, Hangzhou Zhaolian, Guangzhou Lvzhen and the Partner in respect of the project land parcel for joint investment and development of the project land parcel.

As at the date of this announcement, Greentown Zhizhen, Greentown South China, Greentown Real Estate and Guangzhou Lvzhen are the subsidiaries of CCCG, the controlling Shareholder of the Company which holds approximately 59.91% interests in the Company. Greentown Zhizhen, Greentown South China, Greentown Real Estate and Guangzhou Lvzhen are thus connected persons of the Company. As such, the transactions contemplated under the Equity Transfer Agreement and the Cooperation Agreement constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the transactions (in aggregation) under the Equity Transfer Agreement and the Cooperation Agreement exceeds 0.1% but is less than 5%, such agreements and the transactions contemplated thereunder are subject to the announcement requirement but are 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 eighteenth meeting of the fourth session of the Board, on 4 January 2019, CCCC Urban Investment, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Greentown Zhizhen and Guangzhou Junwei, pursuant to which CCCC Urban Investment has conditionally agreed to acquire and Greentown Zhizhen has conditionally agreed to sell 30% equity interest in Hangzhou Zhaolian (being 30% equity interest in Guangzhou Lvzhen and 30% interest in the project land parcel as at the date of this announcement), Guangzhou Junwei has conditionally agreed to acquire and Greentown Zhizhen has conditionally agreed to sell 70% equity interest in Hangzhou Zhaolian (being 70% equity interest in Guangzhou Lvzhen and 70% interest in the project land parcel as at the date of this announcement).

As at the same date, CCCC Urban Investment entered into the Cooperation Agreement with Greentown Zhizhen, Guangzhou Junwei, Greentown South China, Greentown Real Estate, Hangzhou Zhaolian, Guangzhou Lvzhen and the Partner in respect of the project land parcel for joint investment and development of the project land parcel.

EQUITY TRANSFER AGREEMENT

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

Date: 4 January 2019

Parties:

- 1) CCCC Urban Investment;
- 2) Greentown Zhizhen; and
- 3) Guangzhou Junwei

Subject Matter: According to the Equity Transfer Agreement, CCCC Urban Investment has conditionally agreed to acquire and Greentown Zhizhen has conditionally agreed to sell 30% equity interest in Hangzhou Zhaolian (being 30% equity interest in Guangzhou Lvzhen and 30% interest in the project land parcel as at the date of this announcement), Guangzhou Junwei has conditionally agreed to acquire and Greentown Zhizhen has conditionally agreed to sell 70% equity interest in Hangzhou Zhaolian (being 70% equity interest in Guangzhou Lvzhen and 70% interest in the project land parcel as at the date of this announcement).

Consideration: According to the Equity Transfer Agreement, the consideration for 30% equity interest in Hangzhou Zhaolian (being 30% equity interest in Guangzhou Lvzhen and 30% interest in the project land parcel as at the date of this announcement) acquired by CCCC Urban Investment is RMB1,505,700 ,and the consideration for 70% equity interest in Hangzhou Zhaolian (being 70% equity interest in Guangzhou Lvzhen and 70% interest in the project land parcel as at the date of this announcement) acquired by Guangzhou Junwei is RMB3,513,300.

The consideration was determined after arm's length negotiations by reference to the appraised net assets value (i.e. RMB5,019,000) of Hangzhou Zhaolian as at 30 November 2018 (i.e.the valuation date) as set out in the asset valuation report prepared by a qualified independent PRC valuer using the asset-based approach.

Payment: CCCC Urban Investment shall pay RMB1,505,700 in full to the bank account designated by Greentown Zhizhen within three business days after the date of registration of the 30% equity interest in Hangzhou Zhaolian under its name. Guangzhou Junwei shall pay RMB RMB3,513,300 in full to the bank account designated by Greentown Zhizhen within three business days after the date of registration of the 70% equity interest in Hangzhou Zhaolian under its name or the Partner holds 47.2% equity interest in Guangzhou Junwei by acquiring Guangzhou Zhengjia Economic and Technical Consulting Co., Ltd.* (廣州正嘉經濟信息諮詢有限公司), whichever is later.

Completion: CCCC Urban Investment, Greentown Zhizhen and Guangzhou Junwei shall sign the documents used for completion of the registration for the change in equity interest within three business days after the date when the Equity Transfer Agreement is signed, and Hangzhou Zhaolian shall deliver all the relevant documents to the industrial and commercial registration authority and complete the registration for the change in equity interest within five business days after the date when the Equity Transfer Agreement is signed.

The proposed acquisition will be completed at the completion date of the registration for the change in equity interest.

Other Terms: The parties will enter into the Cooperation Agreement separately for the payment of consideration and the subsequent development fund investment for the project land parcel.

COOPERATION AGREEMENT

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

Date: 4 January 2019

Parties:

- 1) CCCC Urban Investment;
- 2) Greentown Zhizhen;
- 3) Guangzhou Junwei;
- 4) Greentown South China;
- 5) Greentown Real Estate;
- 6) Hangzhou Zhaolian;
- 7) Guangzhou Lvzhen; and
- 8) The Partner

Subject Matter: According to the Cooperation Agreement, Greentown South China and the Partner will acquire the equity interest in Guangzhou Junwei. Upon the completion of above acquisition, Greentown South China and the Partner will hold 42.8% and 57.2% equity interest in Guangzhou Junwei, respectively. Accordingly, CCCC Urban Investment, the Partner and Greentown South China will hold 30%, 40.04% and 29.96% equity interest in Guangzhou Lvzhen and 30%, 40.04% and 29.96% interest in the project land parcel, respectively.

Project Land Parcel: The project land parcel comprises three land parcels, namely land parcel No.C1-23-03, C1-23-05 and C1-23-06, located at the tip of Lingshan Island, Hengli Town and spans to Guihuazong Sixth Road in the east, Guihuaheng Third Road in the south , Wenzhi Road in the west and Guihuaheng Fourth Road in the north. Its site area is 45,200 square meters with a comprehensive floor area ratio of 2.04. Guangzhou Lvzhen will be responsible for the development of the project land parcel.

Consideration:

The consideration for the project land parcel is RMB991,500,000 according to the public tender result published by Guangzhou Land Resources and Planning Commission and will be paid by the borrowing to Hangzhou Zhaolian and Guangzhou Lvzhen provided by Greentown Real Estate.

Stage payment	Amount paid
30 October 2018	RMB455,750,000 (as bidding deposit)
21 December 2018	RMB535,750,000

According to the Cooperation Agreement, CCCC Urban Investment, the Partner and Greentown South China shall assume 30%, 40.04% and 29.96% of the amount of consideration for the project land parcel and the interest of borrowing of Greentown Real Estate, if required, (i.e., not more than RMB301,256,700, RMB401,627,300 and RMB 297,053,400) in proportion to their respective shareholding percentage in Hangzhou Zhaolian and Guangzhou Lvzhen.

The fund required for the subsequent development of the project land parcel shall be preferentially self-financed by Guangzhou Lvzhen and the insufficient part will be assumed by CCCC Urban Investment, the Partner and Greentown South China in proportion of 30%, 40.04% and 29.96%. If guarantee is required for external financing by Guangzhou Lvzhen, CCCC Urban Investment, the Partner and Greentown South China shall provide guarantee in proportion of 30%, 40.04% and 29.96% 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 the amount of consideration and the interest of borrowing for the project land parcel.

Payment: CCCC Urban Investment and the Partner shall provide borrowings of RMB301,256,700 and RMB401,627,300 before 18 January 2019, respectively. Guangzhou Lvzhen shall pay the above borrowings in full to the bank account designated by Greentown Real Estate at the date of receiving the above borrowings so as to repay the borrowings to Hangzhou Zhaolian and Guangzhou Lvzhen provided by Greentown Real Estate.

Board of directors: The board of directors of Hangzhou Zhaolian and Guangzhou Lvzhen will comprise five directors, among which one director, three directors and one director will be appointed by CCCC Urban Investment, the Partner and Greentown South China respectively. The chairman of the board of directors will be a director appointed by Greentown South China.

INFORMATION ABOUT HANGZHOU ZHAOLIAN AND GUANGZHOU LVZHEN

According to the unaudited managing accounts prepared by Hangzhou Zhaolian and Guangzhou Lvzhen in accordance with the China Accounting Standards for Business Enterprises, the net assets value of them as at 30 November 2018 was RMB5,019,000. The net profit/(loss) (before and after taxation and extraordinary items) attributable to Hangzhou Zhaolian and Guangzhou Lvzhen for the two preceding financial years according to the China Accounting Standards for Business Enterprises is set out below:

	For the year ended 31 December	
	2017	2018
		<i>RMB</i>
Profit (Loss) before taxation and extraordinary items	19,000	(420,000)
Profit (Loss) after taxation and extraordinary items	17,000	(420,000)

REASONS FOR AND BENEFIT OF THE TRANSACTIONS

The Company jointly develops the Nansha project with Greentown China and the Partner, which will help the Company to further penetrate the local market in Nansha, Guangzhou, to expand its strategic layout in the Guangdong-Hong Kong-Macao Greater Bay Area, and to increase its market share. Meanwhile, Greentown China 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 increase the Company's revenue, which is 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 transactions contemplated under the Equity Transfer Agreement and 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 transactions.

The Directors (including independent non-executive Directors), having made all reasonable and due enquiries, are of the view that the terms of such agreements are fair and reasonable and on normal commercial terms, and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Company and are 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 Zhizhen, Greentown South China, Greentown Real Estate and Guangzhou Lvzhen are the subsidiaries of CCCG, the controlling Shareholder of the Company which holds approximately 59.91% interests in the Company. Greentown Zhizhen, Greentown South China, Greentown Real Estate and Guangzhou Lvzhen are thus connected persons of the Company. As such, the transactions contemplated under the Equity Transfer Agreement and the Cooperation Agreement constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the transactions (in aggregation) under the Equity Transfer Agreement and the Cooperation Agreement exceeds 0.1% but is less than 5%, such agreements and the transactions contemplated thereunder are subject to the announcement requirement but are 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 Urban Investment

CCCC Urban Investment is a wholly-owned subsidiary of the Company incorporated in the PRC. It is primarily engaged in project investment, industrial investment and investment in infrastructures including domestic and overseas transportation, municipal engineering, environmental and land reclamation projects; investment and operation of port, logistics, raw materials and high technology; asset operation and management; project management services; construction services; planning consultancy services, survey and design services, engineering design services; and the development and application of new energy.

(3) Guangzhou Junwei

Guangzhou Junwei is a company incorporated in the PRC with limited liability. It is primarily engaged in real estate development and operation, and real estate consulting services. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Guangzhou Junwei and its ultimate beneficial owner are third parties independent of the Company and its connected persons as at the date of this announcement.

(4) Guangzhou Lvzhen

As at the date of this announcement, Guangzhou Lvzhen is a company incorporated in the PRC with limited liability and a non-wholly-owned subsidiary of CCCG, which is primarily engaged in the development of project land parcel.

(5) The Partner

The Partner is a company incorporated in the PRC with limited liability. It is primarily engaged in the property development and investment in the PRC. To the best knowledge, information and belief of the Directors, having made all reasonable enquires, the Partner and its ultimate beneficial owner are third parties independent of the Company and its connected persons as at the date of this announcement.

(6) Greentown Zhizhen, Greentown South China, Greentown Real Estate and Hangzhou Zhaolian

As at the date of this announcement, Greentown Zhizhen, Greentown South China, Greentown Real Estate and Hangzhou Zhaolian are all companies incorporated in the PRC with limited liability and the non-wholly-owned subsidiaries of CCCG, which are primarily engaged in the property investment and development.

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 Urban Investment”	CCCC Urban Investment Co., Ltd.* (中交城市投資控股有限公司), 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 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 Urban Investment, Greentown Zhizhen, Guangzhou Junwei, the Partner, Greentown South China, Greentown Real Estate, Hangzhou Zhaolian and Guangzhou Lvzhen on 4 January 2019
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement entered into among CCCC Urban Investment, Greentown Zhizhen and Guangzhou Junwei on 4 January 2019
“Greentown Real Estate”	Greentown Real Estate Group Co., Ltd.* (綠城房地產集團有限公司), a company incorporated in the PRC with limited liability, and a non-wholly-owned subsidiary of CCCC
“Greentown South China”	Greentown South China Investment & Development Limited* (綠城華南投資發展有限公司), a company incorporated in the PRC with limited liability, and a non-wholly-owned subsidiary of CCCC
“Greentown Zhizhen”	Hangzhou Greentown Zhizhen Investment Co., Ltd.* (杭州綠城致臻投資有限公司), a company incorporated in the PRC with limited liability, and a non-wholly-owned subsidiary of CCCC

“Guangzhou Junwei”	Guangzhou Junwei Real Estate Development Co., Ltd.* (廣州雋威房地產開發有限公司), a company incorporated in the PRC with limited liability, and an independent third party
“Guangzhou Lvzhen”	Guangzhou Lvzhen Real Estate Development Co., Ltd.* (廣州綠楨房地產開發有限公司), a company incorporated in the PRC with limited liability, and a non-wholly-owned subsidiary of CCCG
“Hangzhou Zhaolian”	Hangzhou Zhaolian Development Co., Ltd.* (杭州昭廉投資有限公司), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Greentown Zhizhen
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Partner”	a company incorporated in the PRC with limited liability, and an independent third party
“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
“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
4 January 2019

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[#], ZHENG Changhong[#] and NGAI Wai Fung[#].

Independent non-executive Director of the Company

** For identification purpose only*