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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 hereby announces that on 18 March 2019, CHECC, CCC Haixi (both are wholly-owned subsidiaries of the Company) and CCCG entered into the Joint Venture Agreement for the formation of the Joint Venture. Pursuant to the Joint Venture Agreement, the registered capital of the Joint Venture is RMB1,000 million, of which RMB390 million, RMB100 million and RMB510 million will be contributed by CHECC, CCC Haixi and CCCG, accounting for 39%, 10% and 51% of the total registered capital of the Joint Venture, respectively.

As at the date of this announcement, CCCG is the controlling Shareholder of the Company, which holds approximately 59.91% interests in the issued ordinary shares of the Company. CCCG is thus a connected person of the Company under the Hong Kong Listing Rules. As such, the formation of the Joint Venture 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 Joint Venture 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 hereby announces that, in accordance with the resolution passed at the fourteenth meeting of the fourth session of the Board, on 18 March 2019, CHECC, CCCC Haixi (both are wholly-owned subsidiaries of the Company) and CCCG entered into the Joint Venture Agreement for the formation of the Joint Venture. Pursuant to the Joint Venture Agreement, the registered capital of the Joint Venture is RMB1,000 million, of which RMB390 million, RMB100 million and RMB510 million will be contributed by CHECC, CCCC Haixi and CCCG, accounting for 39%, 10% and 51% of the total registered capital of the Joint Venture, respectively.

JOINT VENTURE AGREEMENT

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

Date: 18 March 2019

Parties: 1) CHECC;
2) CCCC Haixi; and
3) CCCG

Registered Capital:	Shareholder	Capital Contribution <i>RMB' million</i>	Percentage %
	CHECC	390	39
	CCCC Haixi	100	10
	CCCG	510	51
	Total	<u>1,000</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 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: The first installment of the capital contribution is RMB400 million, which shall be paid within three months after the incorporation of the Joint Venture; the second installment of the capital contribution is RMB300 million, which shall be paid within twelve months after the incorporation of the Joint Venture; and the third installment of the capital contribution is RMB300 million, which shall be paid within 24 months after the incorporation of the Joint Venture. 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 Joint Venture.

Board of Directors: The board of directors of the Joint Venture comprises three directors, among which, two directors will be nominated by CCCG, and one director will be nominated by CHECC. The chairman of the board of directors will be a director nominated by CCCG.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The goal of establishing the Joint Venture is to effectively integrate the resources (such as information, capacity and source) among the existing road transportation market for the Company through implementing the operation philosophy and management model of non-vehicle transportation, to attain the integration of “Internet + Intelligent Transportation + Derivative Services”, thereby lowering the material procurement costs of the Company, and to create new profit growth points which helps to achieve the overall benefits for the Company and the Shareholders.

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 material interests in the transaction under the Joint Venture Agreement, and have abstained from voting on the relevant Board resolution. Save for the above mentioned Directors, none of the other Directors of the Company has or is deemed to have a material interest in the abovementioned connected 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 business of the Company and is in the interests of the Company and its Shareholders as a whole.

HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, CCCG is the controlling Shareholder of the Company, which holds approximately 59.91% interests in the issued ordinary shares of the Company. CCCG is thus a connected person of the Company under the Hong Kong Listing Rules. As such, the formation of the Joint Venture 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 Joint Venture 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) CHECC

CHECC is a wholly-owned subsidiary of the Company incorporated in the PRC and is primarily engaged in manpower outsourcing, roads in the country and overseas, traffic engineering, railways, bridges, tunnels, municipal engineering, highway maintenance, water transportation survey, design, planning and consultation, execution and supervision, scientific research, general contracting and entrusted construction of engineering works, technical services for engineering works, technical testing, and engineering technology research, testing and development.

(3) 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.

(4) CCCG

CCCG is a state-owned enterprise established under the laws of the PRC, and is the controlling Shareholder of the Company holding approximately 59.91% interests in the issued ordinary shares of the Company as at the date of this announcement. CCCG is primarily engaged in real estate development and property management, shipbuilding, ship chartering and maintenance, ocean engineering, technical consultation services for ships and corollary equipment of harbours, import and export business, investment in and management of transportation industry, and other businesses.

DEFINITIONS

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

“Board”	the board of directors of the Company
“CHECC”	China Highway Engineering Consultants Co., Ltd (中國公路工程諮詢集團有限公司), a wholly-owned subsidiary 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
“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 is 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
“Director(s)”	the director(s) of the Company
“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 dated 18 March 2019 entered into among CHECC, CCCC Haixi and CCCG
“Joint Venture”	CCCC Intelligence Transportation Company Limited* (中交智運有限公司), a company proposed to be established in the PRC with limited liability
“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
“%”	percent

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

Beijing, the PRC
18 March 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*