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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 hereby announces that on 20 August 2019, to jointly invest in the PPP project for the construction of the fourth China Greening Exposition in Duyun, Guizhou Province, CSHEC, China Urban and Rural, Daqian Ecology and Guizhou Lvhuan entered into the Shareholders' Agreement in respect of the formation of the Project Company. Pursuant to the Shareholders' Agreement, the registered capital of the Project Company is RMB100 million, of which RMB37 million, RMB17 million, RMB36 million and RMB10 million will be contributed by CSHEC, China Urban and Rural, Daqian Ecology and Guizhou Lvhuan, accounting for 37%, 17%, 36% and 10% of the total registered capital of the Project Company, respectively.

As at the date of this announcement, China Urban and Rural is a subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 59.91% interests in the issued ordinary shares of the Company. China Urban and Rural is thus a connected person of the Company under the Hong Kong Listing Rules. As such, the formation of the Project Company under the Shareholders' 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 Shareholders' Agreement exceeds 0.1% but is less than 5%, the Shareholders' 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 hereby announces that, in accordance with the resolution passed at the twenty-fourth meeting of the fourth session of the Board, on 20 August 2019, to jointly invest in the PPP project for the construction of the fourth China Greening Exposition in Duyun, Guizhou Province, CSHEC, China Urban and Rural, Daqian Ecology and Guizhou Lvhuan entered into the Shareholders' Agreement in respect of the formation of the Project Company. Pursuant to the Shareholders' Agreement, the registered capital of the Project Company is RMB100 million, of which RMB37 million, RMB17 million, RMB36 million and RMB10 million will be contributed by CSHEC, China Urban and Rural, Daqian Ecology and Guizhou Lvhuan, accounting for 37%, 17%, 36% and 10% of the total registered capital of the Project Company, respectively.

## SHAREHOLDERS' AGREEMENT

The principal terms of the Shareholders' Agreement are set out as follows:

- Date:** 20 August 2019
- Parties:**
- 1) CSHEC;
  - 2) China Urban and Rural;
  - 3) Daqian Ecology; and
  - 4) Guizhou Lvhuan

<b>Registered capital:</b>	<b>Shareholder</b>	<b>Capital Contribution</b> <i>RMB' million</i>	<b>Percentage</b> <i>%</i>
	CSHEC	37	37
	China Urban and Rural	17	17
	Daqian Ecology	36	36
	Guizhou Lvhuan	10	10
	<b>Total</b>	<b>100</b>	<b>100</b>

Upon the formation of the Project Company, CSHEC, China Urban and Rural, Daqian Ecology and Guizhou Lvhuan will make additional capital contributions to the Project Company in proportion to their respective shareholding percentage in the Project Company by way of capital increase in accordance with the actual situation. Wherein, the capital contributions made by CSHEC shall not exceed RMB190 million.

The amount of capital contributions under the Shareholders' 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 Project Company.

**Payment of capital contribution:** CSHEC, China Urban and Rural, Daqian Ecology and Guizhou Lvhuan shall fulfill their respective contribution obligations in proportion to their respective shareholding percentage in the Project Company in lump sum by cash to the bank account designated by the Project Company within five business days upon the formation of the Project Company.

**Scope of business:** The business scope of the Project Company includes development, operation and management of tourism resources, tourism promotion planning, development and sales of tourism products, construction of tourist attractions ancillary facilities, tourist attractions services, tourism cultural promotion, landscape greening, travel transportation and relevant ancillary services in tourist attractions, research and development, production, operation and sales of handicraft, conference services, catering services, sales of pre-packaged food (including frozen and refrigerated food and liquor), accommodation services, and sales of daily necessities (business activities requiring licenses cannot be operated before obtaining of such approvals from relevant authorities).

**Board of directors:** The board of directors of the Project Company comprises seven directors. Guizhou Lvhuan, CSHEC, Daqian Ecology and China Urban and Rural are entitled to nominate two directors, two directors, one director and one director, respectively. The Project Company will elect one employee director through the employee representative congress. The chairman will be a director nominated by CSHEC while the vice chairman will be a director nominated by Guizhou Lvhuan.

**Management:** The management team of the Project Company comprises six members, of which Daqian Ecology is entitled to nominate one general manager, Guizhou Lvhuan is entitled to nominate one vice general manager, CSHEC is entitled to nominate two vice general managers and one chief financial officer, and China Urban and Rural is entitled to nominate one chief engineer.

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

The formation of the Project Company aims to jointly invest with China Urban and Rural, Daqian Ecology and Guizhou Lvhuan in the PPP project for the construction of the fourth China Greening Exposition in Duyun, Guizhou Province. This project mainly includes municipal works of venues, municipal roads and landscapes. CCCC Gas and Thermal Research and Design Institute Co., Ltd.\* (中交煤氣熱力研究設計院有限公司), a subsidiary of China Urban and Rural, will be responsible for the construction design of the venues, which is conducive to further optimizing project design, giving full play to the synergy among the parties, facilitating project implementation and promoting project quality.

Meanwhile, the project is a comprehensive exposition with the highest level of organisation in the landscape field in China. The operation risks are basically controllable by adopting PPP mode. Participation in the investment and operation of such state-level project is an experiment and breakthrough for the Company, through which the Company is able to fully leverage the technical advantages of professional companies and strengthen its overall operational capability in the municipal environmental protection field, so as to increase revenue and further enhance the brand influence, which is in 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 material interests in the transaction under the Shareholders' Agreement, and have abstained from voting on the relevant Board resolution. Save for the above 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 independent non-executive Directors), having made all reasonable and due enquiries, are of the opinion that the terms of the Shareholders' 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, China Urban and Rural is a subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 59.91% interests in the issued ordinary shares of the Company. China Urban and Rural is thus a connected person of the Company under the Hong Kong Listing Rules. As such, the formation of the Project Company under the Shareholders' 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 Shareholders' Agreement exceeds 0.1% but is less than 5%, the Shareholders' 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. 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) CSHEC**

CSHEC is a wholly-owned subsidiary of the Company incorporated in the PRC. It is primarily engaged in the construction of roads, bridges, ports, tunnels, railways, municipal projects and other transportation infrastructure, leasing and repair of machinery equipment, housing construction engineering and ground foundation engineering etc.

### **(3) China Urban and Rural**

China Urban and Rural is a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CCCG as at the date of this announcement. It is primarily engaged in construction and investment in infrastructure projects; investment, development, management and operation of municipal works, energy services, water treatment, ecology maintenance, environmental protection, energy conservation and environmental protection industry, landscaping, smart city, medical healthcare and pension, urban and rural integration for forestry and agriculture industry.

**(4) Daqian Ecology**

Daqian Ecology is a joint stock company incorporated in the PRC with limited liability. It is primarily engaged in development and consultation services of comprehensive treatment of ecological environment, treatment and restoration of soil pollution, water environment treatment, air pollution treatment and related technologies; design, construction and technology services of ecological landscape; landscape planning, municipal works and interior and exterior decoration works; technological development of ecological-friendly products; manufacturing and sale of sculpture and bonsai; development, investment, construction and operation of tourism infrastructure projects; and management services in hotels and restaurants. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, Daqian Ecology and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

**(5) Guizhou Lvhuan**

Guizhou Lvhuan is a company incorporated in the PRC with limited liability. It is primarily engaged in development and arrangement of primary and secondary land; development and investment in cultural tourism, and communication and planning of culture and art; development, operation and management of tourism resources, and development, construction and operation of scenic spots, and landscape planning, construction and meeting services at scenic spots; organisation and implementation of infrastructure construction projects; development of environmental treatment projects and development and operation of public housing construction; hotel construction and operation; development and operation of municipal projects; and property management. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, Guizhou Lvhuan and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## 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
“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
“China Urban and Rural”	China Urban and Rural Holding Group Co., Ltd.* (中國城鄉控股集團有限公司), a wholly-owned subsidiary of CCCC
“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
“CSHEC”	CCCC Second Highway Engineering Co., Ltd.* (中交第二公路工程局有限公司), a wholly-owned subsidiary of the Company
“Daqian Ecology”	Daqian Ecology Group Co., Ltd.* (大千生態環境集團股份有限公司), a joint stock company incorporated in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“Guizhou Lvhuan”	Guizhou Lvhuan Ecology Co., Ltd.* (貴州綠寰生態有限責任公司), a company incorporated in the PRC with limited liability
“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”	Guizhou Greening Exposition Construction and Operation Co., Ltd.* (貴州綠博園建設運營有限責任公司), a limited company proposed to be incorporated in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Shareholders’ Agreement”	the shareholders’ agreement entered into among CSHEC, China Urban and Rural, Daqian Ecology and Guizhou Lvhuan on 20 August 2019
“%”	percent

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

Beijing, the PRC  
20 August 2019

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

<sup>#</sup> *Independent non-executive Director*

<sup>\*</sup> *For identification purpose only*