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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 27 August 2019, CTHEC (a wholly-owned subsidiary of the Company), Huatong Real Estate (a non-wholly-owned subsidiary of CCCG) and Beijing Jiachen entered into the Cooperation Agreement for the formation of the Project Company and joint development of the project land parcel. Pursuant to the Cooperation Agreement, the registered capital of the Project Company is RMB800 million, of which RMB392 million, RMB406 million and RMB2 million will be contributed by CTHEC, Huatong Real Estate and Beijing Jiachen, accounting for 49.00%, 50.75% and 0.25% of the total registered capital of the Project Company, respectively.

As at the date of this announcement, Huatong Real Estate 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. Huatong Real Estate is thus a connected person of the Company under the Hong Kong Listing Rules. As such, the formation of the Project Company 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 formation of the Project Company 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 hereby announces that, in accordance with the resolution passed at the twenty-third meeting of the fourth session of the Board, on 27 August 2019, CTHEC (a wholly-owned subsidiary of the Company), Huatong Real Estate (a non-wholly-owned subsidiary of CCCG) and Beijing Jiachen entered into the Cooperation Agreement for the formation of the Project Company and joint development of the project land parcel. Pursuant to the Cooperation Agreement, the registered capital of the Project Company is RMB800 million, of which RMB392 million, RMB406 million and RMB2 million will be contributed by CTHEC, Huatong Real Estate and Beijing Jiachen, accounting for 49.00%, 50.75% and 0.25% of the total registered capital of the Project Company, respectively.

## COOPERATION AGREEMENT

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

**Date:** 27 August 2019

**Parties:**

- 1) CTHEC;
- 2) Huatong Real Estate; and
- 3) Beijing Jiachen

**Project profile:** The project land parcel is located on the north side of Xincheng Avenue, Lincheng New District, Zhoushan City, Zhejiang Province, and spans to Linchang Road in the east, Xincheng Avenue in the south, Zhongwan Road in the west and Guihua Branch Road in the north, i.e. the land parcel No. LC-03-03-01 (situated on the south side of Zhongwan Distribution Center). The Project Company will be responsible for the development of the project land parcel.

<b>Registered capital:</b>	<b>Shareholder</b>	<b>Capital</b>	
		<b>Contribution</b> <i>RMB million</i>	<b>Percentage</b> <i>%</i>
	CTHEC	392	49.00
	Huatong Real Estate	406	50.75
	Beijing Jiachen	2	0.25
	Total	<u>800</u>	<u>100</u>

The amount of the capital contributions under the Cooperation 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:**

CTHEC, Huatong Real Estate and Beijing Jiachen shall fulfill their respective contribution obligations before 31 December 2019 by cash in proportion to their respective shareholding percentage in the Project Company.

**Board of directors:**

The board of directors of the Project Company comprises five directors. Huatong Real Estate and CTHEC are entitled to appoint three and two directors, respectively. The chairman of the board of directors will be a director appointed by Huatong Real Estate.

**Management:**

The management team of the Project Company comprises five members, among which Huatong Real Estate is entitled to appoint one general manager and two vice general managers, and CTHEC is entitled to appoint two vice general managers.

**REASONS FOR AND BENEFITS OF THE TRANSACTION**

Located in the middle region of China's coastline, Zhoushan is an important maritime gateway to the Yangtze River Delta. The formation of the Project Company will facilitate the Company's development in Zhoushan market, promote the CCCG brand, facilitate the transformation and upgrading of investment business structure of the Company and therefore forge a combination of short, middle and long-term investment structure, which will help the Company to adapt to the development of the market and the needs of its own structural adjustment, and is thus beneficial to the realisation of 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 contemplated under the Cooperation 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 the 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, Huatong Real Estate 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. Huatong Real Estate is thus a connected person of the Company under the Hong Kong Listing Rules. As such, the formation of the Project Company 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 formation of the Project Company 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. 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) CTHEC**

CTHEC is a wholly-owned subsidiary of the Company incorporated in the PRC and is primarily engaged in the design and construction of domestic and overseas ports and waterways, the construction of roads, bridges, railways, tunnels, and municipal and civil engineering projects, the leasing of marine equipment and shipping.

### **(3) Huatong Real Estate**

Huatong Real Estate is a non-wholly-owned subsidiary of CCCG incorporated in the PRC with limited liability and is primarily engaged in the development and operation of real estate, property management, leasing of car parking lots and housings, development and design of ancillary facilities and materials for car parking lots, house decoration, construction works, etc.

#### (4) Beijing Jiachen

Beijing Jiachen is a limited partnership incorporated in the PRC and is primarily engaged in real estate development, project design, leasing of offices, organisation of exhibitions and fairs, property management, information consultation on real estate. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Beijing Jiachen and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

#### DEFINITIONS

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

“Beijing Jiachen”	Beijing Jiachen Real Estate Partnership (Limited Partnership)* (北京嘉晨置業合夥企業(有限合夥)), a limited partnership incorporated in the PRC and an independent third party
“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
“CTHEC”	CCCC Third Harbor Engineering Co., Ltd.* (中交第三航務工程局有限公司), 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 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
“Cooperation Agreement”	the cooperation agreement dated 27 August 2019 entered into by CTHEC, Huatong Real Estate and Beijing Jiachen
“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
“Huatong Real Estate”	Huatong Real Estate Co., Ltd.* (華通置業有限公司), a non-wholly-owned subsidiary of CCCG
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Project Company”	CCCC Real Estate Zhoushan Development Co., Ltd.* (中交地產舟山開發有限公司), a company proposed to be incorporated in the PRC with limited liability, the name of which is subject to the approval by industrial and commercial authorities
“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  
27 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>.*

*# Independent non-executive Director*

*\* For identification purpose only*