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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 16 October 2020, in order to jointly invest in the Salvador – Itaparica Sea-crossing Bridge and Supporting Highways Project in State of Bahia, Brazil (巴西巴伊亞州薩爾瓦多-伊塔帕利卡跨海大橋及配套公路項目), the Company, CCCCSA SARL and China Railway 20th Bureau entered into the Shareholders' Agreement for the formation of the Project Company. Pursuant to the Shareholders' Agreement, the registered capital of the Project Company is R\$355,000,000 (equivalent to approximately HK\$489,190,000), of which R\$133,125,000, R\$44,375,000 and R\$177,500,000 (equivalent to approximately HK\$183,446,000, HK\$61,149,000 and HK\$244,595,000, respectively) will be contributed by the Company, CCCCSA SARL and China Railway 20th Bureau, respectively, accounting for 37.5%, 12.5% and 50.0% of the total registered capital of the Project Company.

CCCCSA SARL is a subsidiary of the Company. As at the date of this announcement, Shanghai Zhenhua Heavy Industries Co., Ltd. and CCCC Overseas Real Estate Pte. Ltd., both of which are connected persons of the Company by virtue of being subsidiaries of CCCC (the controlling Shareholder of the Company), hold an aggregate of 25.79% equity interests in CCCCSA SARL. As such, CCCCSA SARL is a connected subsidiary of the Company by virtue of Rule 14A.16 of the Hong Kong Listing Rules. Therefore, 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 are subject to the announcement requirement but are 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 thirty-sixth meeting of the fourth session of the Board, on 16 October 2020, in order to jointly invest in the Salvador – Itaparica Sea-crossing Bridge and Supporting Highways Project in State of Bahia, Brazil (巴西巴伊亞州薩爾瓦多-伊塔帕利卡跨海大橋及配套公路項目), the Company, CCCCSA SARL and China Railway 20th Bureau entered into the Shareholders' Agreement for the formation of the Project Company. Pursuant to the Shareholders' Agreement, the registered capital of the Project Company is R\$355,000,000 (equivalent to approximately HK\$489,190,000), of which R\$133,125,000, R\$44,375,000 and R\$177,500,000 (equivalent to approximately HK\$183,446,000, HK\$61,149,000 and HK\$244,595,000, respectively) will be contributed by the Company, CCCCSA SARL and China Railway 20th Bureau, respectively, accounting for 37.5%, 12.5% and 50.0% of the total registered capital of the Project Company.

## SHAREHOLDERS' AGREEMENT

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

- Date:** 16 October 2020
- Parties:**
- (1) the Company;
  - (2) CCCCSA SARL; and
  - (3) China Railway 20th Bureau

Registered capital:	Shareholder	Capital Contribution		Percentage %
		R\$	HK\$	
	the Company	133,125,000	183,446,000	37.5
	CCCCSA SARL	44,375,000	61,149,000	12.5
	China Railway 20th Bureau	<u>177,500,000</u>	<u>244,595,000</u>	<u>50.0</u>
	<b>Total</b>	<b><u>355,000,000</u></b>	<b><u>489,190,000</u></b>	<b><u>100.0</u></b>

The amount of the 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:** The parties shall pay their respective capital contributions by cash in three instalments in proportion to their respective shareholdings in the Project Company:

- (1) the first instalment of capital contribution is R\$50,000,000 (equivalent to approximately HK\$68,900,000), payable on 21 October 2020;
- (2) the second instalment of capital contribution is R\$145,000,000 (equivalent to approximately HK\$199,810,000), payable within two years after the first instalment of capital contribution; and
- (3) the third instalment of capital contribution is R\$160,000,000 (equivalent to approximately HK\$220,480,000), payable within three years after the first instalment of capital contribution.

**Scope of business:** The provision of engineering and services required for the construction, operation and maintenance of the bridge linking Salvador and Itaparica Island and its highway system in State of Bahia, Brazil by the way of concession projects.

**Board of directors:** The board of directors of the Project Company comprises 6 directors, wherein, the Company and its subsidiary, CCCCSA SARL, are entitled to nominate 3 directors in total and China Railway 20th Bureau is entitled to nominate 3 directors. The Company (or CCCCSA SARL) and China Railway 20th Bureau will nominate the chairman of each session of the board of directors in turn, with the chairman of the first session of the board of directors to be nominated by the Company (or CCCCSA SARL).

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

The purpose of formation of the Project Company is to invest in the Salvador – Itaparica Sea-crossing Bridge and Supporting Highways Project in State of Bahia, Brazil (巴西巴伊亞州薩爾瓦多-伊塔帕利卡跨海大橋及配套公路項目). In line with the national strategy of “going global” and the China-Latin America cooperation strategy, the project helps to stabilize and enhance the strategic cooperative relationship between the two countries. Meanwhile, Brazil is the largest country in South America with a large market size, abundant resources as well as promising prospects for the infrastructure market, and the project falls within the Company’s core competitive businesses and is conducive to the Company’s further promoted expansion into the Latin American market by virtue of its large scale. The project is also a concrete practice for the implementation of the Company’s strategy of “experts in five areas”, which is in line with the Company’s development strategy and is beneficial to the further increase of the interests of the Company and its Shareholders as a whole.

## **CONFIRMATION FROM DIRECTORS**

As at the date of the thirty-sixth meeting of the fourth session of the Board, Mr. LIU Qitao, Mr. SONG Hailiang and Mr. LIU Maoxun, 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 the independent non-executive Directors), having made all reasonable and due enquiries, are of the view 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 THE HONG KONG LISTING RULES**

CCCCSA SARL is a subsidiary of the Company. As at the date of this announcement, Shanghai Zhenhua Heavy Industries Co., Ltd. (上海振華重工(集團)股份有限公司) and CCCG Overseas Real Estate Pte. Ltd. (中交海外房地產有限公司), both of which are connected persons of the Company by virtue of being subsidiaries of CCCG (the controlling Shareholder of the Company), hold an aggregate of 25.79% equity interests in CCCCCSA SARL. As such, CCCCCSA SARL is a connected subsidiary of the Company by virtue of Rule 14A.16 of the Hong Kong Listing Rules. Therefore, 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 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 and its core businesses are infrastructure construction, infrastructure design and dredging. Its scope of business mainly consists of the investment, design, construction, operation and management of port, waterway, river basin, road and bridge, railway, tunnel, rail transit, housing construction, environmental protection and land reclamation at home and abroad. The Company is engaged in providing customers with integrated solutions 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 decades.

## (2) CCCCSA SARL

CCCCSA SARL is a subsidiary of the Company incorporated in Grand Duchy of Luxembourg, primarily engaged in providing whole-package infrastructure solutions to clients in Latin America, from upfront studies, engineering, financing, construction to management, operation and investment of infrastructure assets.

## (3) China Railway 20th Bureau

China Railway 20th Bureau is a company incorporated in the PRC with limited liability, primarily engaged in the survey, design, construction and supervision of traffic infrastructure construction including railway, highway, municipal administration and environmental protection as well as overseas consolidated engineering contracting and real estate development and sales, etc. The ultimate beneficial owner of China Railway 20th Bureau is China Railway Construction Corporation Limited (the H shares of which are listed on the Hong Kong Stock Exchange under stock code 1186 and the A shares of which are listed on the Shanghai Stock Exchange under stock code 601186), which holds 100% equity interests in China Railway 20th Bureau. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, China Railway 20th Bureau and its ultimate beneficial owner 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:

“Board”	the board of directors of the Company
“Brazil”	the Federative Republic of Brazil
“CCCCSA SARL”	CCCC South America Regional Company S.à.r.l., (中國交建南部美洲區域公司) a company established and existing under the laws of Grand Duchy of Luxembourg and a connected 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 company incorporated in the PRC with limited liability, the H shares of which are listed on the Hong Kong Stock Exchange under stock code 1800 and the A shares of which are listed on the Shanghai Stock Exchange under stock code 601800
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules
“China Railway 20th Bureau”	China Railway 20th Bureau Group Co., Ltd. (中鐵二十局集團有限公司), a company incorporated in the PRC with limited liability and an independent third party
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange ”	The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Project Company”	Salvador Itaparica Bridge Roadwork Franchise Limited (薩爾瓦多伊塔帕里卡大橋道路系統特許經營股份公司), a company to be incorporated in Brazil
“Shareholder(s)”	the shareholder(s) of the Company
“Shareholders’ Agreement”	the shareholders’ agreement dated 16 October 2020 entered into among the Company, CCCCSA SARL and China Railway 20th Bureau in respect of the formation of the Project Company
“R\$”	Brazilian Real, the lawful currency of Brazil
“%”	percent

*For the purpose of this announcement, unless the context otherwise requires, conversion of R\$ into HK\$ is based on the approximate exchange rate of R\$1.00 to HK\$1.3780. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in R\$ or HK\$ have been, could have been or may be converted at such or any other rate or at all.*

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

Beijing, the PRC  
16 October 2020

*As at the date of this announcement, the Directors of the Company are LIU Qitao, LIU Maoxun, HUANG Long#, ZHENG Changhong# and NGAI Wai Fung#.*

*# Independent non-executive Directors*