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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 TO
DEVELOP THE PROJECT LAND PARCEL**

The Board announces that, on 5 November 2020, Road & Bridge, CCCC Fourth Highway Engineering, CCCC Second Highway Engineering and CCCC Southwest Investment (all being the subsidiaries of the Company) entered into the Cooperative Development Agreement with CCCG Real Estate (being the subsidiary of CCCG) for the formation of the Project Company and joint development of the project land parcel. Pursuant to the Cooperative Development Agreement, the registered capital of the Project Company is RMB2,600 million, of which RMB624 million, RMB468 million, RMB390 million, RMB208 million and RMB910 million will be contributed by Road & Bridge, CCCC Fourth Highway Engineering, CCCC Second Highway Engineering, CCCC Southwest Investment and CCCG Real Estate, respectively, accounting for 24%, 18%, 15%, 8% and 35% of the total registered capital of the Project Company, respectively.

As at the date of this announcement, CCCG Real Estate is a subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 57.99% interests in the issued ordinary shares of the Company. CCCG 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 Cooperative Development 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 Cooperative Development Agreement exceeds 0.1% but is less than 5%, the Cooperative Development 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 announces that, in accordance with the resolution passed at the fortieth meeting of the fourth session of the Board, on 5 November 2020, Road & Bridge, CCCC Fourth Highway Engineering, CCCC Second Highway Engineering and CCCC Southwest Investment (all being the subsidiaries of the Company) entered into the Cooperative Development Agreement with CCCG Real Estate (being the subsidiary of CCCG) for the formation of the Project Company and joint development of the project land parcel. Pursuant to the Cooperative Development Agreement, the registered capital of the Project Company is RMB2,600 million, of which RMB624 million, RMB468 million, RMB390 million, RMB208 million and RMB910 million will be contributed by Road & Bridge, CCCC Fourth Highway Engineering, CCCC Second Highway Engineering, CCCC Southwest Investment and CCCG Real Estate, respectively, accounting for 24%, 18%, 15%, 8% and 35% of the total registered capital of the Project Company, respectively.

COOPERATIVE DEVELOPMENT AGREEMENT

The principal terms of the Cooperative Development Agreement are set out below:

Date:	5 November 2020
Parties:	(1) Road & Bridge; (2) CCCC Fourth Highway Engineering; (3) CCCC Second Highway Engineering; (4) CCCC Southwest Investment; and (5) CCCG Real Estate

Registered capital:	Shareholder	Amount of Capital Contribution RMB' million	Percentage %
	Road & Bridge	624	24
	CCCC Fourth Highway Engineering	468	18
	CCCC Second Highway Engineering	390	15
	CCCC Southwest Investment	208	8
	CCCG Real Estate	910	35
	Total	2,600	100

All parties are required to make capital increase to the Project Company in proportion to their respective shareholding percentage in the Project Company in accordance with the project development and construction and the daily operation needs of the Project Company. If guarantee is required for external financing by the Project Company, all parties shall provide guarantee in proportion to their respective shareholding percentage in the Project Company. 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 Cooperative Development Agreement was determined after arm's length negotiations among the parties after taking into account various factors, including the nature of business, the demand for working capital and future development plans of the Project Company.

Payment of the capital contribution:

The parties shall pay their respective amount of capital contributions in cash in proportion to their respective shareholding percentage in the Project Company before 20 January 2021.

Scope of business:

The scope of business of the Project Company is expected to include real estate development and operation, land reclamation services, real estate agency services, information advisory services (excluding information advisory services under licence), property management services and hotel management services (subject to registration with the industrial and commercial authorities).

Board of directors:

The board of directors of the Project Company comprises three directors. CCCG Real Estate and CCCC Southwest Investment are entitled to nominate two directors and one director, respectively, subject to the election at the general meeting of the Project Company. The chairman of the board of directors will be a director nominated by CCCG Real Estate.

Concert parties: To ensure the achievement of co-creation, joint undertaking, sharing and long-term stable cooperation among the parties, during the survival period of the Project Company, Road & Bridge and CCCG Southwest Investment agree to act as the concert parties of CCCG Real Estate and will be consistent with CCCG Real Estate in the exercise of voting rights on the resolutions proposed at the general meeting and the board meeting in accordance with the articles of association of the Project Company and the Cooperative Development Agreement, and CCCG Real Estate is authorized to exercise the voting rights on their behalf. There is no consideration for the arrangement of the concert parties. Accordingly, the Project Company will become a subsidiary of CCCG Real Estate and its financial results will be consolidated into the financial results of CCCG Real Estate.

PROFILE OF THE PROJECT LAND PARCEL AND STATUS OF THE PROJECT

The project land parcel, located in Gui'an New District of Guiyang City (貴陽市貴安新區), is for residential, commercial and supporting construction purpose with a site area of approximately 732,000 square meters and a floor area ratio of 1.66. The Project Company will be responsible for the development of the project land parcel.

The consideration for the project land parcel is RMB2,112,298,112 according to the public tender result published by Guiyang Centre for Public Resource Transaction. Part of the consideration has been paid by cash instalments in proportion to their respective shareholding percentage by all parties in the Project Company. The consideration for the project land parcel paid by parties in proportion to their shareholding percentage before the incorporation of the Project Company will be transferred to the amount of capital contributions to the registered capital of the Project Company after the formation of the Project Company.

Stage payment	Amount paid
Already paid as of 4 July 2020	RMB620 million (as bidding deposit)
Already paid as of 21 August 2020	50% of the consideration for the project land parcel, partially offset by the bidding deposit

REASONS FOR AND BENEFITS OF THE TRANSACTION

Gui'an New District of Guiyang City (貴陽市貴安新區) is a national-level new district with favorable investment conditions and falls within the category of first-class investment zone. The formation of the Project Company to develop the project land parcel will not only help the Group to boost its principal businesses, but help the Group to continue to deepen its development in the Gui'an New District, thus achieving the radiative operation and industrial chain extension. The cooperation with CCCG Real Estate is conducive to the full utilization of resources by all parties involved, as a result, contributing to the achievement of mutual complementarity, giving full play to the advantages of CCCG's whole industrial chain, reducing the project risks and realizing the interests of the Company and its Shareholders as a whole.

CONFIRMATION FROM DIRECTORS

Mr. Wang Tongzhou and Mr. Liu Maoxun, being the Directors of the Company, are also the directors of CCCG, and therefore are deemed to have a material interest in the transaction contemplated under the Cooperative Development 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 transaction.

The Directors (including independent non-executive Directors), having made all reasonable and due enquiries, are of the view that the terms of the Cooperative Development 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, CCCG Real Estate is a subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 57.99% interests in the issued ordinary shares of the Company. CCCG 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 Cooperative Development 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 Cooperative Development Agreement exceeds 0.1% but is less than 5%, the Cooperative Development 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 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, municipal infrastructure, 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) Road & Bridge

Road & Bridge is a subsidiary of the Company incorporated in the PRC and is principally engaged in survey and design, construction general contracting, professional contracting, urban landscape greening, project investment, investment management and asset management, technical development, technical consultation, technical services, etc.

(3) CCCC Fourth Highway Engineering

CCCC Fourth Highway Engineering is a subsidiary of the Company incorporated in the PRC and is primarily engaged in engineering design, construction project management, construction general contracting, professional contracting, construction engineering installation, road maintenance, garden landscape design, etc.

(4) CCCC Second Highway Engineering

CCCC Second Highway Engineering is a subsidiary of the Company incorporated in the PRC and is primarily engaged in the construction of transportation infrastructure such as road, bridge, wharf, tunnel, railway and municipal projects, leasing and maintenance of machinery equipment, housing construction, foundation engineering, etc.

(5) CCCC Southwest Investment

CCCC Southwest Investment is a subsidiary of the Company incorporated in the PRC and is primarily engaged in the investment of projects of transportation infrastructure, urban complexes, real estate, projects in areas of resources, raw materials and high and new technology as well as the investment and management of projects in logistics industry, hotel industry and tourism industry.

(6) CCCG Real Estate

CCCG Real Estate, a joint stock company incorporated in the PRC with limited liability, is a subsidiary of CCCG as at the date of this announcement and is primarily engaged in real estate development and operation business and property management.

(7) CCCG

CCCG is a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company holding approximately 57.99% equity 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
“CCCC Fourth Highway Engineering”	CCCC Fourth Highway Engineering Co., Ltd.* (中交第四公路工程局有限公司), a subsidiary of the Company
“CCCC Second Highway Engineering”	CCCC Second Highway Engineering Co., Ltd.* (中交第二公路工程局有限公司), a subsidiary of the Company
“CCCC Southwest Investment”	CCCC Southwest Investment and Development Co., Ltd.* (中交西南投資發展有限公司), a 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 the controlling Shareholder of the Company
“CCCG Real Estate”	CCCG Real Estate Corporation Limited* (中交地產股份有限公司), a subsidiary of CCCG
“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
“Cooperative Development Agreement”	the cooperative development agreement entered into among Road & Bridge, CCCC Fourth Highway Engineering, CCCC Second Highway Engineering, CCCC Southwest Investment and CCCG Real Estate on 5 November 2020
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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”	CCCC Xinsheng Gui’an New District Real Estate Co., Ltd.* (中交鑫盛貴安新區置業有限公司), a company to be incorporated in the PRC with limited liability, the name of which is subject to the approval by the industrial and commercial authorities
“RMB”	Renminbi, the lawful currency of the PRC

“Road & Bridge”	Road & Bridge International Co., Ltd. (中交路橋建設有限公司), a subsidiary of the Company
“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
5 November 2020

As at the date of this announcement, the Directors of the Company are WANG Tongzhou, LIU Maoxun, HUANG Long[#], ZHENG Changhong[#] and NGAI Wai Fung[#].

[#] *Independent non-executive Director*

^{*} *For identification purpose only*