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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 announces that, on 30 November 2020, CCCC Second Harbour, China Urban and Rural, OriginWater, China Railway 18th Bureau, Changjiang New Town Construction Investment, CITIC Construction and Xinheng Yintong entered into the Shareholders' Contract for the joint investment in the Infrastructure PPP Project of Starting Area of Changjiang New Town in Wuhan. Pursuant to the Shareholders' Contract, the registered capital of the Project Company is approximately RMB1,596 million, of which approximately RMB984 million, RMB324 million, RMB192 million, RMB48 million, RMB16 million, RMB16 million and RMB16 million will be contributed by Xinheng Yintong, CCCC Second Harbour, CITIC Construction, Changjiang New Town Construction Investment, China Urban and Rural, OriginWater and China Railway 18th Bureau, respectively, accounting for 61.67%, 20.33%, 12.00%, 3.00%, 1.00%, 1.00% and 1.00% of the total registered capital of the Project Company, respectively.

As at the date of this announcement, China Urban and Rural and OriginWater are subsidiaries of CCGG, the controlling Shareholder of the Company which holds approximately 57.99% interests in the issued ordinary shares of the Company. China Urban and Rural and OriginWater are thus connected persons of the Company under the Hong Kong Listing Rules. As such, the formation of the Project Company under the Shareholders' Contract 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' Contract exceeds 0.1% but is less than 5%, the Shareholders' Contract 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 30 November 2020, CCCC Second Harbour, China Urban and Rural, OriginWater, China Railway 18th Bureau, Changjiang New Town Construction Investment, CITIC Construction and Xinheng Yintong entered into the Shareholders' Contract for the joint investment in the Infrastructure PPP Project of Starting Area of Changjiang New Town in Wuhan. Pursuant to the Shareholders' Contract, the registered capital of the Project Company is approximately RMB1,596 million, of which approximately RMB984 million, RMB324 million, RMB192 million, RMB48 million, RMB16 million, RMB16 million and RMB16 million will be contributed by Xinheng Yintong, CCCC Second Harbour, CITIC Construction, Changjiang New Town Construction Investment, China Urban and Rural, OriginWater and China Railway 18th Bureau, respectively, accounting for 61.67%, 20.33%, 12.00%, 3.00%, 1.00%, 1.00% and 1.00% of the total registered capital of the Project Company, respectively.

SHAREHOLDERS' CONTRACT

The principal terms of the Shareholders' Contract are set out below:

Date:	30 November 2020
Parties:	(1) CCCC Second Harbour; (2) China Urban and Rural; (3) OriginWater; (4) China Railway 18th Bureau; (5) Changjiang New Town Construction Investment; (6) CITIC Construction; and (7) Xinheng Yintong

Registered capital:	Shareholder	Amount of Capital Contribution RMB' million	Percentage %
	Xinheng Yintong	984	61.67
	CCCC Second Harbour	324	20.33
	CITIC Construction	192	12.00
	Changjiang New Town Construction Investment	48	3.00
	China Urban and Rural	16	1.00
	OriginWater	16	1.00
	China Railway 18th Bureau	16	1.00
	Total	1,596	100.00

The amount of capital contributions under the Shareholders' Contract 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 installments in proportion to their respective shareholding in the Project Company:

- (1) the initial capital contribution is 10% of the total registered capital of the Project Company, which shall be paid within 30 days from the date of formation of the Project Company;
- (2) the second capital contribution is 50% of the total registered capital of the Project Company, which shall be paid within 60 days from the date of formation of the Project Company; and
- (3) the remaining capital contributions shall be paid within 18 months after the formation of the Project Company according to the project progress and financing needs.

Scope of business:

The scope of business of the Project Company is expected to include investment, construction and operation of urban municipal roads, bridges, tunnels, utility tunnels, recycled water plants and related ancillary works and facilities; municipal public facility management services, planning management services, engineering management services, consulting services, city outlook management services, urban sanitary management services; urban greening management services; advertising operation; domestic trade of goods permitted by laws and regulations (subject to registration with the industrial and commercial authorities).

Board of directors:

The board of directors of the Project Company comprises seven directors. CCCC Second Harbour, Changjiang New Town Construction Investment, CITIC Construction and Xinheng Yintong are entitled to appoint one director, one director, one director and three directors, respectively. The Project Company will elect one employee representative director through the employee representative congress, the employees' meeting or other democratic methods.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The purpose of formation of the Project Company is for joint investment in the Infrastructure PPP Project of Starting Area of Changjiang New Town in Wuhan, which mainly involves the construction and operation of the sewage treatment plant. The project is in line with the national industrial policies, the Group's development direction of investment business and the layout of investment regions, which will help the Group to explore Changjiang New Town in Wuhan and gain a stronger foothold in the local market of Wuhan. Both of China Urban and Rural and OriginWater possess the industry's leading water treatment technology and rich experience in the operation of sewage treatment plant, the participation of which will help to promote the smooth implementation of the project and enhance the quality of the project, contributing to the achievement of the overall 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 Shareholders' Contract, 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 Shareholders' Contract 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 and OriginWater are subsidiaries of CCCG, the controlling Shareholder of the Company which holds approximately 57.99% interests in the issued ordinary shares of the Company. China Urban and Rural and OriginWater are thus connected persons of the Company under the Hong Kong Listing Rules. As such, the formation of the Project Company under the Shareholders' Contract 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' Contract exceeds 0.1% but is less than 5%, the Shareholders' Contract 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) CCCC Second Harbour

CCCC Second Harbour is a subsidiary of the Company incorporated in the PRC and is principally engaged in construction of port, terminal, channel, airport, railway, highway, tunnel, civil engineering, water conservancy, municipal administration, bridge, industrial and civil buildings, environmental protection.

(3) China Urban and Rural

China Urban and Rural is a company incorporated in the PRC with limited liability and a subsidiary of CCCG. It is mainly engaged in investment, development, management and operation of infrastructure projects such as municipal engineering, energy services, water affairs, ecological restoration, environmental protection, energy saving and environmental protection industries, gardening and landscaping, smart cities, information technology, tourism and health care.

(4) OriginWater

OriginWater is a company incorporated in the PRC with limited liability and a subsidiary of CCCG. Its A shares are listed on the Shenzhen Stock Exchange under stock code 300070, and is primarily engaged in development of sewage treatment technology, waste water recovery technology, water resources management technology, water treatment technology, solid waste treatment technology, atmospheric environmental governance technology, ecological engineering technology, ecological renovation technology, investment in water affairs and investment management.

(5) 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.

(6) CITIC Construction

CITIC Construction is a company incorporated in the PRC with limited liability, and is primarily engaged in the contracting of international projects, domestic international bid-inviting projects and domestic foreign-invested projects, engineering survey, design, consulting, project management and general construction contracting. The ultimate beneficial owner of CITIC Construction is CITIC Limited (the H shares of which are listed on the Hong Kong Stock Exchange under stock code 0267), which holds 100% equity interests in CITIC Construction. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, CITIC Construction and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

(7) Xinheng Yintong

Xinheng Yintong is a company incorporated in the PRC with limited liability, and is primarily engaged in investment, management and advisory of non-securities businesses, equity investment management and project investment. The ultimate beneficial owners of Xinheng Yintong are Ma Juan* (馬娟), Wang Hui* (王輝), CITIC Limited (the H shares of which are listed on the Hong Kong Stock Exchange under stock code 0267) and the State Council, which hold 30.8%, 13.2%, 36% and 15% equity interests in Xinheng Yintong, respectively. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Xinheng Yintong and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

(8) China Railway 18th Bureau

China Railway 18th Bureau is a company incorporated in the PRC with limited liability, and is primarily engaged in the construction general contracting, engineering general contracting and project management for works in railway, housing, waterworks and hydropower sectors, highway, municipal public facilities, port and channel. The ultimate beneficial owner of China Railway 18th 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 18th 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 18th Bureau and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

(9) Changjiang New Town Construction Investment

Changjiang New Town Construction Investment is a company incorporated in the PRC with limited liability, and is primarily engaged in investment and operational management of urban construction; construction, supporting construction and management of urban infrastructure; design and construction of landscaping; real estate development; property sales; property management and leasing; development and management of culture, art, sports and tourism industry; production, sales and installation of construction equipment and building materials. The ultimate beneficial owner of Changjiang New Town Construction Investment is Wuhan Changjiang New Town Management Committee* (武漢長江新城管理委員會), which holds 100% equity interests in Changjiang New Town Construction Investment. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Changjiang New Town Construction Investment 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
“CCCC Second Harbour”	CCCC Second Harbour Engineering Co., Ltd. (中交第二航務工程局有限公司), a subsidiary of the Company as at the date of this announcement

“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
“Changjiang New Town Construction Investment”	Wuhan Changjiang New Town Construction Investment Group Co., Ltd.* (武漢長江新城建設投資集團有限公司), a company incorporated in the PRC with limited liability and an independent third party
“China Railway 18th Bureau”	China Railway 18th Bureau Group Co., Ltd. (中鐵十八局集團有限公司), a company incorporated in the PRC with limited liability and an independent third party
“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 subsidiary of CCCC as at the date of this announcement
“CITIC Construction”	CITIC Construction Co., Ltd. (中信建設有限責任公司), a company incorporated in the PRC with limited liability and an independent third party
“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(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“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

“OriginWater”	Beijing OriginWater Technology Co., Ltd. (北京碧水源科技股份有限公司), a subsidiary of CCCG as at the date of this announcement
“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”	Wuhan Hanxin Infrastructure Investment & Construction Co., Ltd.* (武漢漢信基礎設施投資建設有限公司), 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
“Shareholder(s)”	the shareholder(s) of the Company
“Shareholders’ Contract”	the shareholders’ contract entered into among CCCC Second Harbour, China Urban and Rural, OriginWater, CITIC Construction, Xinheng Yintong, China Railway 18th Bureau and Changjiang New Town Construction Investment on 30 November 2020 in respect of the formation of the Project Company
“Xinheng Yintong”	Xinheng Yintong Fund Management (Beijing) Co., Ltd.* (信恒銀通基金管理(北京)有限公司), a company incorporated in the PRC with limited liability and an independent third party
“%”	percent

Note: Any discrepancies in the amounts set out herein are due to rounding.

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

Beijing, the PRC

30 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*