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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 28 June 2021, CCCC Third Highway Engineering, Huatong Real Estate and Zhonghong Zhongcheng entered into the Cooperative Agreement for the formation of the Project Company and joint development of the project land parcel. Pursuant to the Cooperative Agreement, the registered capital of the Project Company is RMB3,600.00 million, of which RMB1,080.00 million, RMB2,518.20 million and RMB1.80 million will be contributed by CCCC Third Highway Engineering, Huatong Real Estate and Zhonghong Zhongcheng, respectively, accounting for 30.00%, 69.95% and 0.05% 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 57.99% 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 Cooperative 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 Agreement exceeds 0.1% but is less than 5%, the Cooperative 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, on 28 June 2021, in accordance with the resolution passed at the fiftieth meeting of the fourth session of the Board, CCCC Third Highway Engineering, Huatong Real Estate and Zhonghong Zhongcheng entered into the Cooperative Agreement for the formation of the Project Company and joint development of the project land parcel. Pursuant to the Cooperative Agreement, the registered capital of the Project Company is RMB3,600.00 million, of which RMB1,080.00 million, RMB2,518.20 million and RMB1.80 million will be contributed by CCCC Third Highway Engineering, Huatong Real Estate and Zhonghong Zhongcheng, respectively, accounting for 30.00%, 69.95% and 0.05% of the total registered capital of the Project Company, respectively.

## COOPERATIVE AGREEMENT

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

<b>Date:</b>	28 June 2021
<b>Parties:</b>	(1) CCCC Third Highway Engineering; (2) Huatong Real Estate; and (3) Zhonghong Zhongcheng
<b>Project overview:</b>	The project land parcel is located in Hongqiao District, Tianjin, a core urban residential area. The project land parcel occupies a site area of approximately 101,900 square meters, of which approximately 85,400 square meters is for residential use, approximately 12,500 square meters is for commercial service facilities and approximately 3,900 square meters is for service facilities. The Project Company will be responsible for the acquisition and development of the project land parcel.

<b>Registered capital:</b>	<b>Shareholder</b>	<b>Amount of capital contribution RMB' million</b>	<b>Percentage %</b>
	Huatong Real Estate	2,518.20	69.95
	CCCC Third Highway Engineering	1,080.00	30.00
	Zhonghong Zhongcheng	<u>1.80</u>	<u>0.05</u>
	<b>Total</b>	<b><u>3,600.00</u></b>	<b><u>100.00</u></b>

The amount of capital contributions under the Cooperative Agreement was determined after arm's length negotiations between 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 contribution in cash by instalments in proportion to their respective capital contribution to the Project Company:

- (1) RMB700.00 million, being the security deposits for land bidding paid before the formation of the Project Company for participating in the bidding of the project land parcel, will be converted into the registered capital of the Project Company upon its formation;
- (2) RMB1,112.60 million shall be paid within 30 days from the date of signing the land grant agreement by the Project Company;
- (3) RMB1,710.00 million shall be paid within 90 days from the date of signing the land grant agreement by the Project Company; and
- (4) RMB77.40 million shall be paid by 31 December 2021.

**Scope of business:**

The scope of business of the Project Company is expected to include real estate development and operation; various engineering construction activities; non-residential real estate leasing; sales of construction materials; property management; residential leasing; engineering management services; and parking services (subject to registration with the industrial and commercial authorities).

**Board of directors:**

The board of directors of the Project Company comprises three directors. CCCC Third Highway Engineering and Huatong Real Estate are entitled to nominate one director and two directors, respectively. The chairman of the board of directors will be a director nominated by Huatong Real Estate.

**Concert party:** Zhonghong Zhongcheng has agreed to act in concert with Huatong Real Estate and unconditionally authorize all its voting rights to Huatong Real Estate.

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

The purpose of formation of the Project Company is for joint investment in the project land parcel located in Hongqiao District, Tianjin. The project has obvious location advantages and various well-established supporting facilities and is located at the hot spots of real estate development. The project is in line with the Group's business strategy and is not only conducive to the further development of "big city" business, but also beneficial for the Group's further expansion of its market in Tianjin, the adjustment of its industrial structure and the enhancement of its brand influence. The cooperation with Huatong Real Estate will help the parties make full use of resources to achieve complementary advantages and reduce project risks, and will help realize the overall interests of the Company and its Shareholders as a whole.

## **CONFIRMATION FROM DIRECTORS**

Mr. Wang Tongzhou, Mr. Wang Haihuai, Mr. Liu Xiang 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 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 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 57.99% 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 Cooperative 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 Agreement exceeds 0.1% but is less than 5%, the Cooperative 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 focusing on “big transportation” and “big city” 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, land reclamation, river basin, road and bridge, railway, urban rail transit, municipal infrastructure, construction and environmental protection at home and abroad. The Company is 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 decades.

### **(2) CCCC Third Highway Engineering**

CCCC Third Highway Engineering is a non-wholly owned subsidiary of the Company incorporated in the PRC, which is ultimately owned by the Company and Industrial and Commercial Bank of China Limited (the H shares of which are listed on the Hong Kong Stock Exchange under stock code 1398 and the A shares of which are listed on the Shanghai Stock Exchange under stock code 601398) as to approximately 70% and 30%, respectively, and is primarily engaged in construction general contracting, engineering consulting, engineering design, property management, rental of machinery and equipment, import and export of goods and technology, etc..

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

Huatong Real Estate is a company incorporated in the PRC with limited liability, and is primarily engaged in real estate development and operation, property management, parking space and housing rental, development and design of parking ancillary equipment and materials, home decoration, construction work, etc.. Huatong Real Estate is 100% owned by CCCG Real Estate Corporation Limited (the A shares of which are listed on the Shenzhen Stock Exchange under stock code 000736), which in turn is a subsidiary of CCCG.

#### **(4) 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.

#### **(5) Zhonghong Zhongcheng**

Zhonghong Zhongcheng is a limited partnership incorporated in the PRC and is primarily engaged in business management and consulting, financial consulting and information consulting services, etc.. The general partner of Zhonghong Zhongcheng is He Xi, who holds 16.67% of the partnership interest; and among its limited partners, Dong Junfei, Zhang Xiaozhi and Shao Chengyu hold 16.67%, 11.11% and 11.11% of the partnership interest, respectively. Save as aforesaid, there are no other partners holding 10% or more of the partnership interest in Zhonghong Zhongcheng. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Zhonghong Zhongcheng 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:

“Board”	the board of directors of the Company
“CCCC Third Highway Engineering”	CCCC Third Highway Engineering Co., Ltd.* (中交第三公路工程局有限公司), a subsidiary of the Company as at the date of this announcement
“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

“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
“Cooperative Agreement”	the cooperative agreement entered into among CCCC Third Highway Engineering, Huatong Real Estate and Zhonghong Zhongcheng in relation to the formation of the Project Company on 28 June 2021
“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
“Huatong Real Estate”	Huatong Real Estate Co., Ltd.* (華通置業有限公司), 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”	CCCG Hongqiao (Tianjin) Real Estate Development Co. Ltd.* (中交紅橋(天津)房地產開發有限公司), 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
“Zhonghong Zhongcheng”	Tianjin Zhonghong Zhongcheng Management Consulting Partnership (LP)* (天津中紅眾城管理諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC and an independent third party
“%”	percent

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

Beijing, the PRC  
28 June 2021

*As at the date of this announcement, the Directors of the Company are WANG Tongzhou, WANG Haihuai, LIU Xiang, LIU Maoxun, 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*