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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
REDEMPTION OF PERPETUAL CAPITAL SECURITIES BY
TIANJIN CCCC GREENTOWN

References are made to the announcements of the Company dated 27 December 2019 and 6 March 2020, in relation to the entering into of the investment contracts with and the subscription of perpetual capital securities from Tianjin CCCC Greentown (being a subsidiary of CCCG) by CFHCC City Investment, CCCC Beijing-Tianjin-Hebei Investment (both being subsidiaries of the Company) and Greentown Real Estate (on behalf of Greentown Northern Real Estate, its wholly-owned subsidiary) in proportion to their respective shareholding percentage in Tianjin CCCC Greentown.

The Board announces that, on 2 July 2021, in accordance with the Investment Contracts, Tianjin CCCC Greentown issued a notice of redemption to each of the subscribers to redeem all the perpetual capital securities subscribed by CFHCC City Investment, CCCC Beijing-Tianjin-Hebei Investment and Greentown Real Estate at the consideration of RMB670,486,362.00, RMB343,839,160.00 and RMB704,870,278.00, respectively.

As at the date of this announcement, Tianjin CCCC Greentown 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. Tianjin CCCC Greentown is thus a connected person of the Company under the Hong Kong Listing Rules. As such, the Redemptions constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the Redemptions (on an aggregate basis) exceeds 0.1% but is less than 5%, the Redemptions are subject to the announcement requirement but are exempted from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

BACKGROUND

References are made to the announcements of the Company dated 27 December 2019 and 6 March 2020, in relation to the entering into of the investment contracts (the “**Investment Contracts**”) with and the subscription of perpetual capital securities from Tianjin CCCC Greentown (being a subsidiary of CCCG) by CFHCC City Investment, CCCC Beijing-Tianjin-Hebei Investment (both being subsidiaries of the Company) and Greentown Real Estate (on behalf of Greentown Northern Real Estate, its wholly-owned subsidiary) in proportion to their respective shareholding percentage in Tianjin CCCC Greentown.

The Board announces that, on 2 July 2021, in accordance with the Investment Contracts, Tianjin CCCC Greentown issued a notice of redemption to each of the subscribers to redeem all the perpetual capital securities subscribed by CFHCC City Investment, CCCC Beijing-Tianjin-Hebei Investment and Greentown Real Estate at the consideration of RMB670,486,362.00, RMB343,839,160.00 and RMB704,870,278.00, respectively.

THE REDEMPTIONS

The details of the Redemptions are set out below:

Redemption Notice: On 2 July 2021, in accordance with the Investment Contracts, Tianjin CCCC Greentown issued a notice of redemption to each of the subscribers to redeem all of the perpetual capital securities.

Redemption Prices:

The redemption prices are equal to the principal amount of the corresponding perpetual capital securities. Therefore, Tianjin CCCC Greentown will redeem the perpetual capital securities subscribed by CFHCC City Investment, CCCC Beijing-Tianjin-Hebei Investment and Greentown Real Estate at the consideration of RMB670,486,362.00, RMB343,839,160.00 and RMB704,870,278.00, respectively.

Payable Distributions:

Pursuant to the Investment Contracts, the distribution rate is determined based on the net profit of Tianjin CCCC Greentown, and the distribution rate for the current year is calculated with 31 December of each year as the reference date: (i) if Tianjin CCCC Greentown records losses, the distribution rate for the current year is 0%; (ii) if Tianjin CCCC Greentown records profit but the net profit margin does not exceed 5.5%, the distribution rate for the current year is the net profit margin of Tianjin CCCC Greentown; and (iii) if Tianjin CCCC Greentown records profit and the net profit margin exceeds 5.5%, the distribution rate for the current year is 5.5%.

As Tianjin CCCC Greentown records a net profit margin exceeding 5.5%, the payable distributions by Tianjin CCCC Greentown = the principal amount of the perpetual capital securities x 5.5% x 1.5 years (year ended 31 December 2020 and 6 months ended 30 June 2021). Therefore, the distributions payable by Tianjin CCCC Greentown to CFHCC City Investment, CCCC Beijing-Tianjin-Hebei Investment and Greentown Real Estate will be RMB55,315,124.87, RMB28,366,730.70 and RMB58,151,797.94.

Payment:

The Redemptions will be made no later than 20 July 2021, which was mutually agreed by the existing shareholders of Tianjin CCCC Greentown (i.e. CFHCC City Investment, CCCC Beijing-Tianjin-Hebei Investment and Greentown Northern Real Estate). On the date of the Redemptions, the redemption prices shall be paid to the subscribers by Tianjin CCCC Greentown and all perpetual capital securities will be redeemed for cancellation. By 31 December 2021, Tianjin CCCC Greentown will paid up the payable distributions to the subscribers.

INFORMATION ABOUT TIANJIN CCCC GREENTOWN

Tianjin CCCC Greentown was established on 31 October 2018 by CFHCC City Investment, CCCC Beijing-Tianjin-Hebei Investment and Greentown Northern Real Estate to jointly invest in the construction of Chentang Area integrated development project in Hexi District, Tianjin (the “**Project**”).

According to the audited financial statements of Tianjin CCCC Greentown prepared in accordance with the International Financial Reporting Standards, the total asset of Tianjin CCCC Greentown as at 31 December 2020 was approximately RMB5,230 million, and its net asset value was approximately RMB2,741 million. The table below sets out the net profit/(loss) of Tianjin CCCC Greentown (before and after tax and extraordinary items) for the two financial years ended 31 December 2019 and 2020:

	For the year ended 31 December 2019 RMB	For the year ended 31 December 2020 RMB
Net profit/(loss) after tax and extraordinary items	(1,986,342)	24,290,077
Net profit/(loss) before tax and extraordinary items	(2,648,456)	32,666,505

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Redemptions are determined in accordance with the terms of the Investment Contracts after arm’s length negotiations among Tianjin CCCC Greentown and the subscribers after taking into account various factors, including business operation, financial status and future business needs of Tianjin CCCC Greentown. The Redemptions are in line with the current development of the Project, and will enable the Group to recover the principal amount of the perpetual capital securities and obtain the payable distribution of Tianjin CCCC Greentown, which will increase the working capital of the Group, and are beneficial to the overall interests of the Company and its Shareholders as a whole.

The gains to be received by the Company from the Redemptions are RMB83,681,855.57. In light of the specific circumstances of the Company, the gains from the Redemptions are intended to be used flexibly to supplement its working capital and invest in the principal business, etc.

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 Redemptions, 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 the independent non-executive Directors), having made all reasonable and due enquiries, are of the opinion that the terms of the Redemptions are fair and reasonable and on normal commercial terms, and the Redemptions, although not conducted in the ordinary and usual course of the business of the Company, 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, Tianjin CCCC Greentown 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. Tianjin CCCC Greentown is thus a connected person of the Company under the Hong Kong Listing Rules. As such, the Redemptions constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the Redemptions (on an aggregate basis) exceeds 0.1% but is less than 5%, the Redemptions 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 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) CFHCC City Investment

CFHCC City Investment is a non-wholly-owned subsidiary of the Company incorporated in the PRC, which is owned by the Company as to approximately 90.09%, and is principally engaged in urban public facilities investment and management; real estate development; sales; parking lot service; house leasing; and land consolidation.

(3) CCCC Beijing-Tianjin-Hebei Investment

CCCC Beijing-Tianjin-Hebei Investment is a wholly-owned subsidiary of the Company incorporated in the PRC and is principally engaged in investment, development, construction and operation of transportation infrastructure and urban complex, etc.

(4) Tianjin CCCC Greentown

Tianjin CCCC Greentown is a non-wholly-owned subsidiary of CCCG incorporated in the PRC with limited liability and is primarily engaged in the development of real estate. As at the date of this announcement, Tianjin CCCC Greentown was held as to 41%, 39% and 20% by Greentown Northern Real Estate (being a subsidiary of CCCG), CFHCC City Investment and CCCC Beijing-Tianjin-Hebei Investment (both being subsidiaries of the Company), respectively.

(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.

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 Beijing-Tianjin-Hebei Investment”	CCCC Beijing-Tianjin-Hebei Investment and Development Co., Ltd.* (中交京津冀投資發展有限公司), 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
“CFHCC City Investment”	CFHCC City Investment Development (Tianjin) Co., Ltd.* (中交一航局城市投資發展(天津)有限公司), a subsidiary of the Company as at the date of this announcement
“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
“Greentown Northern Real Estate”	Tianjin Greentown Northern Real Estate Co., Ltd.* (天津綠城北方置地有限公司), a subsidiary of CCCG as at the date of this announcement
“Greentown Real Estate”	Greentown Real Estate Group Company Limited* (綠城房地產集團有限公司), a subsidiary of CCCG as at the date of this announcement
“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
“Redemptions”	the proposed redemption of all perpetual capital securities by Tianjin CCCC Greentown from the subscribers (which refers to CFHCC City Investment and CCCC Beijing-Tianjin-Hebei Investment in respect of the Company) pursuant to the terms of the Investment Contracts
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Tianjin CCCC Greentown”	Tianjin CCCC Greentown Urban Construction and Development Company Limited* (天津中交綠城城市建設發展有限公司), a subsidiary of CCCG as at the date of this announcement
“%”	percent

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

Beijing, the PRC
2 July 2021

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

Independent non-executive Director

* *For identification purpose only*