

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 6 July 2021, CCCC Fourth Harbour, CCCC Second Harbour, Road & Bridge, CCCC Southwest, CCCC-FHDI, SMEDRIC and CCCG Real Estate entered into the Cooperative Development Agreement 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 RMB1,100 million, of which RMB275 million, RMB165 million, RMB99 million, RMB66 million, RMB55 million, RMB55 million and RMB385 million will be contributed by CCCC Fourth Harbour, CCCC Second Harbour, Road & Bridge, CCCC Southwest, CCCC-FHDI, SMEDRIC and CCCG Real Estate, respectively, accounting for 25%, 15%, 9%, 6%, 5%, 5% and 35% of the total registered capital of the Project Company, respectively.

As at the date of this announcement, SMEDRIC and CCCG Real Estate are subsidiaries of CCCG, the controlling Shareholder of the Company which holds approximately 57.99% interests in the issued ordinary shares of the Company. SMEDRIC and CCCG Real Estate are thus connected persons 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 thirty-eighth meeting of the fourth session of the Board, on 6 July 2021, CCCC Fourth Harbour, CCCC Second Harbour, Road & Bridge, CCCC Southwest, CCCC-FHDI, SMEDRIC and CCCG Real Estate entered into the Cooperative Development Agreement 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 RMB1,100 million, of which RMB275 million, RMB165 million, RMB99 million, RMB66 million, RMB55 million, RMB55 million and RMB385 million will be contributed by CCCC Fourth Harbour, CCCC Second Harbour, Road & Bridge, CCCC Southwest, CCCC-FHDI, SMEDRIC and CCCG Real Estate, respectively, accounting for 25%, 15%, 9%, 6%, 5%, 5% 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:** 6 July 2021
- Parties:**
- (1) CCCC Fourth Harbour ;
 - (2) CCCC Second Harbour ;
 - (3) Road & Bridge ;
 - (4) CCCC Southwest ;
 - (5) CCCC-FHDI ;
 - (6) SMEDRIC; and
 - (7) CCCG Real Estate

Registered capital:	Amount of Capital Contribution	Percentage
Shareholder	<i>RMB' million</i>	<i>%</i>
CCCG Real Estate	385	35
CCCC Fourth Harbour	275	25
CCCC Second Harbour	165	15
Road & Bridge	99	9
CCCC Southwest	66	6
CCCC-FHDI	55	5
SMEDRIC	55	5
Total	<u>1,100</u>	<u>100</u>

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 31 July 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. SMEDRIC and CCCG 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 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, CCCG Southwest and SMEDRIC 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 type II residential use with a site area of approximately 183,800 square meters and a floor area ratio of 2.50. The Project Company will be responsible for the development of the project land parcel.

The consideration for the project land parcel is RMB965,595,753.65 according to the public tender result published by Guiyang Centre for Public Resource Transaction, which 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 20 May 2020	RMB482,400,000.00 (as bidding deposit, offsetting the corresponding part of the consideration for the project land parcel)
Already paid as of 3 July 2020	RMB483,195,753.65 (the remaining consideration for the project land parcel)

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 SMEDRIC and 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, reducing the project risks and realizing the interests of the Company and its Shareholders as a whole.

CONFIRMATION FROM DIRECTORS

As at the date of the thirty-eighth 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 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, SMEDRIC and CCCG Real Estate are subsidiaries of CCCG, the controlling Shareholder of the Company which holds approximately 57.99% interests in the issued ordinary shares of the Company. SMEDRIC and CCCG Real Estate are thus connected persons 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 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 Fourth Harbour

CCCC Fourth Harbour is a non-wholly-owned subsidiary of the Company incorporated in the PRC, which is ultimately owned as to approximately 86.23% by the Company without any other shareholder holding 10% or more of the equity. It is mainly engaged in the construction of ports, railways, bridges, highways and municipal projects, project consultation and survey, and manufacturing and leasing of marine ancillary equipment.

(3) CCCC Second Harbour

CCCC Second Harbour is a non-wholly-owned subsidiary of the Company incorporated in the PRC, which is ultimately owned as to approximately 86.64% by the Company without any other shareholder holding 10% or more of the equity. It 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, etc.

(4) Road & Bridge

Road & Bridge is a non-wholly-owned subsidiary of the Company incorporated in the PRC, which is ultimately owned as to approximately 82.75% by the Company without any other shareholder holding 10% or more of the equity. It 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.

(5) CCCC Southwest

CCCC Southwest is a wholly-owned 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) CCCC-FHDI

CCCC-FHDI is a wholly-owned subsidiary of the Company incorporated in the PRC and is principally engaged in engineering survey, design, consultation, management, construction general contracting and other businesses.

(7) SMEDRIC

SMEDRIC is a wholly-owned subsidiary of CCCG incorporated in the PRC with limited liability. It is principally engaged in the engineering survey, design and management services, as well as municipal, highway, bridge, tunnel, landscape, fire protection, water conservancy and hydropower, communication engineering projects, etc.

(8) CCCG Real Estate

CCCG Real Estate is a joint stock company incorporated in the PRC with limited liability and a non-wholly-owned subsidiary of CCCG. Its A shares are listed on the Shenzhen Stock Exchange under stock code 000736 and is primarily engaged in real estate development and operation business and property management.

(9) 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-FHDI”	CCCC-FHDI Engineering Co., Ltd.* (中交第四航務工程勘察設計院有限公司), a subsidiary of the Company as at the date of this announcement
“CCCC Fourth Harbour”	CCCC Fourth Harbour Engineering Co., Ltd.* (中交第四航務工程局有限公司), a subsidiary of the Company as at the date of this announcement
“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
“CCCC Southwest”	CCCC Southwest Investment and Development Co., Ltd.* (中交西南投資發展有限公司), 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
“CCCCG Real Estate”	CCCCG Real Estate Corporation Limited* (中交地產股份有限公司), a subsidiary of CCCC 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”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Cooperative Development Agreement”	the cooperative development agreement entered into among CCCC Fourth Harbour, CCCC Second Harbour, Road & Bridge, CCCC Southwest, CCCC-FHDI, SMEDRIC and CCCG Real Estate for the formation of the Project Company on 6 July 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
“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 Guizhou Real Estate Co., Ltd.* (中交貴州房地產有限公司), 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 as at the date of this announcement
“Shareholder(s)”	the shareholder(s) of the Company

“SMEDRIC”

Southwest Municipal Engineering Design and Research Institute of China* (中國市政工程西南設計研究總院有限公司), 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
6 July 2021

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

[#] *Independent non-executive Director*

^{*} *For identification purpose only*