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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 PARCELS**

The Board announces that, on 20 July 2021, CCCC Urban Investment, China Real Estate Group and Yunyan Urban Renewal entered into the Master Agreement which sets out the parties' intent in relation to the joint development of the project land parcels. On 23 July 2021, the parties entered into the Supplemental Agreement which sets out the specific terms in relation to the formation of the Project Company and joint development of the project land parcels, pursuant to which, the registered capital of the Project Company is RMB2,450.00 million, of which RMB1,212.75 million, RMB1,212.75 million and RMB24.50 million will be contributed by CCCC Urban Investment, China Real Estate Group and Yunyan Urban Renewal, respectively, accounting for 49.50%, 49.50% and 1.00% of the total registered capital of the Project Company, respectively.

On 23 July 2021, CCCC Urban Investment and Yunyan Urban Renewal entered into the Concert Party Agreement in respect of the Project Company, pursuant to which Yunyan Urban Renewal agreed to act as a concert party of CCCC Urban Investment while no consideration will be paid by CCCC Urban Investment. Upon formation of the Project Company, the Project Company will become a subsidiary of the Company and its financial results will be consolidated into that of the Group.

As at the date of this announcement, China Real Estate Group 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. China Real Estate Group 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 are subject to the announcement requirement but are 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 fiftieth meeting of the fourth session of the Board, on 20 July 2021, CCCC Urban Investment, China Real Estate Group and Yunyan Urban Renewal entered into a master agreement in relation to cooperative development (the “**Master Agreement**”) which sets out the parties' intent in relation to the joint development of the project land parcels. On 23 July 2021, the parties entered into a supplemental agreement to the Master Agreement (the “**Supplemental Agreement**”, together with the Master Agreement, collectively the “**Cooperative Development Agreement**”) which sets out the specific terms in relation to the formation of the Project Company and joint development of the project land parcels, pursuant to which, the registered capital of the Project Company is RMB2,450.00 million, of which RMB1,212.75 million, RMB1,212.75 million and RMB24.50 million will be contributed by CCCC Urban Investment, China Real Estate Group and Yunyan Urban Renewal, respectively, accounting for 49.50%, 49.50% and 1.00% of the total registered capital of the Project Company, respectively.

On 23 July 2021, CCCC Urban Investment and Yunyan Urban Renewal entered into the Concert Party Agreement in respect of the Project Company, pursuant to which Yunyan Urban Renewal agreed to act as a concert party of CCCC Urban Investment while no consideration will be paid by CCCC Urban Investment. Upon formation of the Project Company, the Project Company will become a subsidiary of the Company and its financial results will be consolidated into that of the Group.

COOPERATIVE DEVELOPMENT AGREEMENT

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

Master Agreement

Date: 20 July 2021

Parties:

- (1) CCCC Urban Investment;
- (2) China Real Estate Group; and
- (3) Yunyan Urban Renewal

Project land parcels: The project land parcels are located in the core area of Yunyan District in Guiyang City with a total site area of approximately 96,136 square meters. The project land parcels consist of three land parcels, two of which are for residential use and one is for commercial use.

Cooperation matters: According to the Master Agreement, CCCC Urban Investment, China Real Estate Group and Yunyan Urban Renewal will jointly participate in the bidding of the project land parcels. If such bidding is awarded, CCCC Urban Investment, China Real Estate Group and Yunyan Urban Renewal will establish the Project Company to develop the project land parcels.

Bidding deposits: The total amount of bidding deposits are RMB974.95 million, of which approximately RMB482.60 million, RMB482.60 million and RMB9.75 million will be contributed by CCCC Urban Investment, China Real Estate Group and Yunyan Urban Renewal, respectively, accounting for 49.50%, 49.50% and 1.00% of the total amount of bidding deposits, respectively.

Supplemental Agreement

Date: 23 July 2021

Parties:

- (1) CCCC Urban Investment;
- (2) China Real Estate Group; and
- (3) Yunyan Urban Renewal

Registered capital:	Shareholder	Amount of	Percentage
		Contribution	
		<i>RMB' million</i>	
	China Real Estate Group	1,212.75	49.50
	CCCC Urban Investment	1,212.75	49.50
	Yunyan Urban Renewal	<u>24.50</u>	<u>1.00</u>
	Total	<u>2,450.00</u>	<u>100.00</u>

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 by instalments in proportion to their respective capital contributions to the Project Company:

- (1) RMB974.95 million, being the land bidding deposits 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; and
- (2) the remaining capital contribution (i.e. RMB1,475.05 million) shall be paid gradually before 31 August 2022 in accordance with the progress of the project and the financing needs.

Scope of business:

The scope of business of the Project Company is expected to include real estate development and operation, real estate brokerage, real estate information consultation, property management, housing leasing, non-residential real estate leasing, project planning and public relations services (subject to registration with the industrial and commercial authorities).

Board of directors:

The board of directors of the Project Company comprises five directors. CCCC Urban Investment and China Real Estate Group are entitled to nominate three directors and two directors, respectively. The chairman of the board of directors will be a director nominated by China Real Estate Group.

CONCERT PARTY AGREEMENT

In order to strengthen the management and control of the Project Company and maintain the consistency of the decision-making of major events of the Project Company, on 23 July 2021, CCCC Urban Investment and Yunyan Urban Renewal entered into the Concert Party Agreement in respect of the Project Company, pursuant to which Yunyan Urban Renewal agreed to act as a concert party of CCCC Urban Investment and will be consistent with CCCC Urban Investment in the exercise of voting rights in accordance with the articles of association of the Project Company and the Cooperative Development Agreement. There is no consideration for the arrangement of the concert parties. Upon formation of the Project Company, the Project Company will become a subsidiary of the Company and its financial results will be consolidated into that of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The formation of the Project Company is for the purpose of joint investment in the project land parcels located in the core area of Yunyan District in Guiyang City. The project is in line with the Company's business strategy, with advantageous location and controllable investment risk. The cooperation with China Real Estate Group is conducive to the full utilisation of resources, which will contribute to achieving the complementary advantages, enhancing the overall value of the region and promoting the exploration of urban renewal business development, thus realizing the overall interests of the Company and its Shareholders as a whole.

CONFIRMATION FROM DIRECTORS

WANG Tongzhou, WANG Haihuai, LIU Xiang and 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, China Real Estate Group 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. China Real Estate Group 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 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) CCCC Urban Investment

CCCC Urban Investment is a wholly-owned subsidiary of the Company incorporated in the PRC and is primarily engaged in project investment, industrial investment and investment in infrastructures including domestic and overseas transportation, municipal engineering, environmental and land reclamation projects; investment and operation of port, logistics, raw materials and high technology; asset operation and management; project management services; construction services; planning consultancy services, survey and design services, engineering design services; and the development and application of new energy.

(3) China Real Estate Group

China Real Estate Group is a wholly-owned subsidiary of CCCG incorporated in the PRC with limited liability. It is primarily engaged in the comprehensive development (including land development) and operation of domestic and overseas real estate, urban infrastructure construction, general contracting of civil and industrial buildings (including high-rise buildings), construction decoration, import and export business, sales and storage of timber, cement and construction materials.

(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) Yunyan Urban Renewal

Yunyan Urban Renewal is a company incorporated in the PRC with limited liability and is primarily engaged in various engineering construction activities, real estate development and operation, engineering management services, land remediation services, real estate brokerage and real estate consulting, corporate management, hotel management, and commercial complex management services, etc. Yunyan Urban Renewal is 100% held by Guiyang Yunyan State-owned Investment Holding Group Co., Ltd. * (貴陽市雲岩國有投資控股集團有限公司) and ultimately 100% held by the State-owned Assets Management Service Center of Yunyan District* (雲岩區國有資產管理服務中心). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Yunyan Urban Renewal 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 Urban Investment”	CCCC Urban Investment Co., Ltd.* (中交城市投資控股有限公司), 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
“China Real Estate Group”	China National Real Estate Development Group Corporation Limited (中國房地產開發集團有限公司), a subsidiary of CCCG 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
“Concert Party Agreement”	the concert party agreement in respect of the Project Company entered into between CCCC Urban Investment and Yunyan Urban Renewal on 23 July 2021
“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 Urban Investment, China Real Estate Group and Yunyan Urban Renewal for the formation of the Project Company on 23 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 Urban Investment Hairun (Yunyan) Urban Renewal Co., Ltd. * (中交城投海潤(雲岩)城市更新有限公司), 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
“Yunyan Urban Renewal”	Guiyang Yunyan Urban Renewal Development Co., Ltd. * (貴陽雲岩城市更新發展有限公司), a company incorporated in the PRC with limited liability and an independent third party
“%”	percent

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

Beijing, the PRC

23 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*