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 hereby announces that, in accordance with the resolution passed at the thirty-third meeting of the fourth session of the Board, on 31 March 2020, CCCC Kunming Construction, CCCC Second Harbour (both being wholly-owned subsidiaries of the Company) and CCCG Real Estate (a non wholly-owned subsidiary of CCCG) entered into the Cooperation Agreement for the formation of the Project Company and joint development of the project land parcel. Pursuant to the Cooperation Agreement, the registered capital of the Project Company is RMB2,080.0 million, of which RMB166.4 million, RMB624.0 million and RMB1,289.6 million will be contributed by CCCC Kunming Construction, CCCC Second Harbour and CCCG Real Estate, accounting for 8%, 30% and 62% of the total registered capital of the Project Company, respectively. As a result, 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.

As at the date of this announcement, CCCG Real Estate is a subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 57.96% equity interests in the issued ordinary shares of the Company. CCCG 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 Cooperation 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 Cooperation Agreement exceeds 0.1% but is less than 5%, the Cooperation 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 hereby announces that, in accordance with the resolution passed at the thirty-third meeting of the fourth session of the Board, on 31 March 2020, CCCC Kunming Construction, CCCC Second Harbour (both being wholly-owned subsidiaries of the Company) and CCCG Real Estate (a non wholly-owned subsidiary of CCCG) entered into the Cooperation Agreement for the formation of the Project Company and joint development of the project land parcel. Pursuant to the Cooperation Agreement, the registered capital of the Project Company is RMB2,080.0 million, of which RMB166.4 million, RMB624.0 million and RMB1,289.6 million will be contributed by CCCC Kunming Construction, CCCC Second Harbour and CCCG Real Estate, accounting for 8%, 30% and 62% of the total registered capital of the Project Company, respectively. As a result, 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.

Cooperation Agreement

The principal terms of the Cooperation Agreement are set out as below:

Date: 31 March 2020

Parties:

1) CCCC Kunming Construction;

2) CCCC Second Harbour; and

3) CCCG Real Estate

Project land parcel: The project land parcel is south to Longcheng Sub-district Office in Chenggong District, Kunming City, with a gross site area of approximately 96,584 square meters and for urban residential use. The Project Company is responsible for the development of the project land parcel.

Registered capital:

Shareholder	**Capital Contribution**	**Percentage**
	RMB million	*%*
CCCC Kunming Construction	166.4	8
CCCC Second Harbour	624.0	30
CCCG Real Estate	1,289.6	62
Total	**2,080.0**	**100**

Capital requirements for subsequent development of the project land parcel shall be financed by the Project Company independently. In the external financing of the Project Company, each party shall make necessary capital increase to the Project Company based on bank's requirements or actual conditions. If the external financing requires guarantees, CCCC Kunming Construction, CCCC Second Harbour and CCCG Real Estate shall provide guarantees proportionally by 8%, 30% and 62%. The Company will fulfil the obligation of further disclosure in due course according to requirements as set out in the Hong Kong Listing Rules (if applicable).

The amount of the capital contributions under the Cooperation Agreement was determined after arm's length negotiations among the parties, taking into account various factors, including the nature of the business, the demand for working capital and future development plans of the Project Company.

Payment of capital contribution:

CCCC Kunming Construction, CCCC Second Harbour and CCCG Real Estate shall make their respective contribution by cash in proportion to their respective shareholding percentage in the Project Company before 30 April 2020.

Scope of business:

The scope of business of the Project Company is expected to include comprehensive development and management of real estate, primary land development and land reconstruction, comprehensive development of urban new districts and reconstruction of old towns, construction of urban integrated service facilities, comprehensive development and operation of urban-rural integration, property asset operation and hotel management, real estate brokerage services and real estate management consulting services (subject to registration with the industry and commercial authorities).

Board of directors:

The board of directors of the Project Company comprises five directors. CCCC Kunming Construction, CCCC Second Harbour and CCCG Real Estate are entitled to nominated one director, one director and three directors, respectively. The chairman of the board of directors will be a director nominated by CCCG Real Estate.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The purpose of establishing the Project Company by CCCC Kunming Construction, CCCC Second Harbour and CCCG Real Estate is to jointly develop the project land parcel, which will be beneficial to the parties to effectively utilise resources and supplement advantages of each other, and allow the Company to improve its influence and recognition in Kunming. Meanwhile, investment in the project will facilitate restructuring, transformation and upgrade of investment business of the Company and its subsidiaries, so as to meet the needs of market development, and therefore is helpful to the realisation of the interests of the Company and its Shareholders as a whole.

CONFIRMATION FROM DIRECTORS

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 material interests in the transaction contemplated under the Cooperation Agreement, and have abstained from voting on the relevant Board resolution. Save for the above Directors, none of the other Directors of the Company has or is deemed to have a material interest in the abovementioned connected transaction.

The Directors (including the independent non-executive Directors), having made all reasonable and due enquiries, are of the view that the terms of the Cooperation 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, CCCG Real Estate is a subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 57.96% equity interests in the issued ordinary shares of the Company. CCCG 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 Cooperation 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 Cooperation Agreement exceeds 0.1% but is less than 5%, the Cooperation 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. 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, environmental protection and land reclamation at home and abroad. The Company is primarily 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 previous years.

(2) CCCC Kunming Construction

CCCC Kunming Construction is a wholly-owned subsidiary of the Company incorporated in the PRC and is principally engaged in project investment, general contracting of road and municipal projects, specialized contracting of bridge and tunnel projects and investment consultation.

(3) CCCC Second Harbour

CCCC Second Harbour is a wholly-owned subsidiary of the Company incorporated in the PRC and is principally engaged in construction of domestic and foreign port, highway, bridge, railway, municipal and environmental projects, consultation, survey, design and supervision of international projects, and procurement and export of equipment and materials, etc.

(4) CCCG Real Estate

CCCG Real Estate, a joint stock company incorporated in the PRC with limited liability, is a non wholly-owned subsidiary of CCCG as at the date of this announcement and is primarily engaged in real estate development and operation business and property management.

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 Kunming Construction"	CCCC Kunming Construction Development Co., Ltd. (中交昆明建設發展有限公司), a wholly-owned subsidiary 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 wholly-owned subsidiary of the Company
"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
"CCCG Real Estate"	CCCG Real Estate Corporation Limited (中交地產股份有限公司), a non wholly-owned subsidiary of CCCG
"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 Stock Exchange of Hong Kong Limited 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
"Cooperation Agreement"	the cooperation agreement entered into by CCCC Kunming Construction, CCCC Second Harbour and CCCG Real Estate on 31 March 2020
"Directors"	the directors 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
"PRC"	the People's Republic of China, which for the purposes of this announcement, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
"Project Company"	Kunming CCCG Xinsheng Real Estate Co., Ltd. (昆明中交欣盛房地產有限公司), a company proposed to be incorporated in the PRC with limited liability, the name of which is subject to the approval by industrial and commercial authorities
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	the shareholder(s) of the Company
"%"	percent

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

Beijing, the PRC
31 March 2020

As at the date of this announcement, the directors of the Company are LIU Qitao, SONG Hailiang, LIU Maoxun, HUANG Long#, ZHENG Changhong# and NGAI Wai Fung#.

\# *Independent non-executive Directors*