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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**

The Board announces that, on 29 April 2021, CFHEC, CCCC Second Highway Consultants (both being subsidiaries of the Company), China Urban and Rural (a subsidiary of CCCG) and Xincheng Investment (an independent third party) entered into the Shareholders' Agreement for the joint investment in the PPP project of phase I comprehensive construction of human settlement environment in Shehong Economic Development Zone of Sichuan Province. Pursuant to the Shareholders' Agreement, the registered capital of the Project Company is RMB100.0 million, of which RMB30.0 million, RMB1.0 million, RMB54.0 million and RMB15.0 million will be contributed by CFHEC, CCCC Second Highway Consultants, China Urban and Rural and Xincheng Investment, respectively, accounting for 30%, 1%, 54% and 15% of the total registered capital of the Project Company, respectively.

As at the date of this announcement, China Urban and Rural 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 Urban and Rural is thus a connected person of the Company under the Hong Kong Listing Rules. As such, the formation of the Project Company under the Shareholders' 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 Shareholders' Agreement exceeds 0.1% but is less than 5%, the Shareholders' 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 forty-seventh meeting of the fourth session of the Board, on 29 April 2021, CFHEC, CCCC Second Highway Consultants (both being subsidiaries of the Company), China Urban and Rural (a subsidiary of CCCG) and Xincheng Investment (an independent third party) entered into the Shareholders' Agreement for the joint investment in the PPP project of phase I comprehensive construction of human settlement environment in Shehong Economic Development Zone of Sichuan Province. Pursuant to the Shareholders' Agreement, the registered capital of the Project Company is RMB100.0 million, of which RMB30.0 million, RMB1.0 million, RMB54.0 million and RMB15.0 million will be contributed by CFHEC, CCCC Second Highway Consultants, China Urban and Rural and Xincheng Investment, respectively, accounting for 30%, 1%, 54% and 15% of the total registered capital of the Project Company, respectively.

### Shareholders' Agreement

The principal terms of the Shareholders' Agreement are set out below:

**Date:** 29 April 2021

**Parties:**

- (1) CFHEC;
- (2) CCCC Second Highway Consultants;
- (3) China Urban and Rural; and
- (4) Xincheng Investment

### Registered capital:

Shareholder	Amount of Capital Contribution	Percentage
	<i>RMB' million</i>	<i>%</i>
China Urban and Rural	54.0	54
CFHEC	30.0	30
Xincheng Investment	15.0	15
CCCC Second Highway Consultants	<u>1.0</u>	<u>1</u>
<b>Total</b>	<b><u>100.0</u></b>	<b><u>100</u></b>

Upon formation of the Project Company, the parties will make further capital contributions to the Project Company in proportion to their respective shareholdings in the Project Company in accordance with the actual situation (the subsequent capital contributions will be included in capital reserves). The total capital contribution to be made by the subsidiaries of the Company, namely CFHEC and CCCC Second Highway Consultants, will be approximately RMB151.69 million.

The amount of capital contribution under the Shareholders' Agreement was determined after arm's length negotiations among the parties, 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, within 12 months following the formation of the Project Company, pay all the registered capital in proportion to their respective shareholdings in the Project Company. The capital contribution to capital reserves shall be paid within 3 years following the formation of the Project Company according to the progress of the project and financing needs.

**Scope of business:**

The scope of business of the Project Company is expected to include project investment and management of the invested projects; engineering construction management and construction in the field of architecture and municipal industry; purchase and leasing of materials and equipment; property management; housing decoration and maintenance; architecture intelligent network engineering and mechanical and electrical equipment installation; landscaping engineering (subject to the registration with the industry and commerce department).

**Board of directors:**

The board of directors of the Project Company comprises five directors. China Urban and Rural, CFHEC and Xincheng Investment are entitled to appoint two directors, one director and one director, respectively. The Project Company will elect one director through the employee representative congress. The chairman of the board of directors will be a director appointed by China Urban and Rural.

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

The purpose of formation of the Project Company is for joint investment in the PPP project of phase I comprehensive construction of human settlement environment in Shehong Economic Development Zone of Sichuan Province. The project complies with relevant national laws, regulations and industrial policies, and is in line with the Company's business development direction and regional layout of investment. It is conducive to consolidating emerging markets and enabling the Company to maintain certain advantages in the ecological and environmental protection market in the Chengdu-Chongqing Economic Circle. The construction of the project includes ecological and environmental protection, municipal facilities, etc., and China Urban and Rural has brand advantages and strong project management capabilities and experience in this area, the participation of which will help to promote the smooth implementation of the project and enhance the quality of the project, therefore contributing to the achievement of the overall interests of the Company and its Shareholders as a whole.

## **CONFIRMATION FROM DIRECTORS**

Mr. Wang Tongzhou 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 Shareholders' 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 Shareholders' 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 Urban and Rural 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 Urban and Rural is thus a connected person of the Company under the Hong Kong Listing Rules. As such, the formation of the Project Company under the Shareholders' 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 Shareholders' Agreement exceeds 0.1% but is less than 5%, the Shareholders' 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) CFHEC**

CFHEC is a subsidiary of the Company incorporated in the PRC and is primarily engaged in the engineering design, consultation, construction and general contracting business in the field of transportation infrastructure construction.

### **(3) CCCC Second Highway Consultants**

CCCC Second Highway Consultants is a subsidiary of the Company incorporated in the PRC and is primarily engaged in evaluation, planning, feasibility study, survey, design, supervision, etc. in the fields of domestic and foreign highway engineering, municipal engineering, railway engineering, environmental engineering, ecological restoration, comprehensive water environment management, etc.

**(4) China Urban and Rural**

China Urban and Rural is a company incorporated in the PRC with limited liability and a subsidiary of CCCG. It is mainly engaged in investment, development, management and operation of infrastructure projects such as municipal engineering, energy services, water affairs, ecological restoration, environmental protection, energy saving and environmental protection industries, gardening and landscaping, smart cities, information technology, tourism and health care.

**(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.

**(6) Xincheng Investment**

Xincheng Investment is a company incorporated in the PRC with limited liability. It is mainly engaged in urban infrastructure investment and construction and land consolidation, reclamation and management, rural infrastructure construction, rural comprehensive development, rural ecological environment governance, landscaping projects, sales of building materials, natural gas supply services, etc. Xincheng Investment is 100% held by Shehong State-owned Assets Management Group Co., Ltd.\* (射洪市國有資產經營管理集團有限公司), which is held as to 90% and 10% by Shehong State-owned Assets Supervision and Administration Bureau and Department of Finance of Sichuan Province, respectively. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Xincheng Investment 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 Second Highway Consultants”	CCCC Second Highway Consultants Co., Ltd.* (中交第二公路勘察設計研究院有限公司), 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
“CFHEC”	CCCC First Highway Engineering Group Co., Ltd.* (中交一公局集團有限公司), a subsidiary of the Company as at the date of this announcement
“China Urban and Rural”	China Urban and Rural Holding Group Co., Ltd.* (中國城鄉控股集團有限公司), 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
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“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”	China Urban and Rural (Shehong) Investment Development Co. Ltd.* (中城鄉(射洪)投資發展有限公司), 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
“Shareholders’ Agreement”	the shareholders’ agreement entered into among CFHEC, CCCC Second Highway Consultants, China Urban and Rural and Xincheng Investment on 29 April 2021 in respect of the formation of the Project Company
“Xincheng Investment”	Shehong Xincheng Investment Development Co., Ltd.* (射洪市欣誠投資開發有限責任公司), 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  
29 April 2021

*As at the date of this announcement, the Directors of the Company are WANG Tongzhou, 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*