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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, CCCC Investment, CCCC First Harbour Engineering, CCCC Fourth Highway Engineering, CCCC Highway Consultants (all being subsidiaries of the Company), SMEDRIC (a subsidiary of CCCG) and Haihe Company (an independent third party) entered into the Shareholders' Agreement for the joint investment in the PPP project for comprehensive development of the core area of Haihe Liulin themed "City of Design" in Tianjin. Pursuant to the Shareholders' Agreement, the registered capital of the Project Company is RMB500.0 million, of which RMB225.0 million, RMB45.0 million, RMB45.0 million, RMB5.0 million, RMB5.0 million and RMB175.0 million will be contributed by CCCC Investment, CCCC First Harbour Engineering, CCCC Fourth Highway Engineering, CCCC Highway Consultants, SMEDRIC and Haihe Company, respectively, accounting for 45%, 9%, 9%, 1%, 1% and 35% of the total registered capital of the Project Company, respectively.

Upon formation of the Project Company, the Company will hold 64% equity interests in the Project Company. Accordingly, 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, SMEDRIC 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. SMEDRIC 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, CCCC Investment, CCCC First Harbour Engineering, CCCC Fourth Highway Engineering, CCCC Highway Consultants (all being subsidiaries of the Company), SMEDRIC (a subsidiary of CCCG) and Haihe Company (an independent third party) entered into the Shareholders' Agreement for the joint investment in the PPP project for comprehensive development of the core area of Haihe Liulin themed "City of Design" in Tianjin. Pursuant to the Shareholders' Agreement, the registered capital of the Project Company is RMB500.0 million, of which RMB225.0 million, RMB45.0 million, RMB45.0 million, RMB5.0 million, RMB5.0 million and RMB175.0 million will be contributed by CCCC Investment, CCCC First Harbour Engineering, CCCC Fourth Highway Engineering, CCCC Highway Consultants, SMEDRIC and Haihe Company, respectively, accounting for 45%, 9%, 9%, 1%, 1% and 35% of the total registered capital of the Project Company, respectively.

Upon formation of the Project Company, the Company will hold 64% equity interests in the Project Company. Accordingly, the Project Company will become a subsidiary of the Company, and its financial results will be consolidated into that of the Group.

Shareholders' Agreement

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

Date: 29 April 2021

Parties:

- (1) CCCC Investment;
- (2) CCCC First Harbour Engineering;
- (3) CCCC Fourth Highway Engineering;
- (4) CCCC Highway Consultants;
- (5) SMEDRIC; and
- (6) Haihe Company

Registered capital:

Shareholder	Amount of Capital Contribution RMB' million	Percentage %
CCCC Investment	225.0	45
Haihe Company	175.0	35
CCCC First Harbour Engineering	45.0	9
CCCC Fourth Highway Engineering	45.0	9
CCCC Highway Consultants	5.0	1
SMEDRIC	5.0	1
Total	<u>500.0</u>	<u>100</u>

Upon formation of the Project Company, the parties will make additional capital contributions to the Project Company in proportion to their respective shareholdings in the Project Company in accordance with the actual situation. The total capital contribution to be made by the subsidiaries of the Company, namely CCCC Investment, CCCC First Harbour Engineering, CCCC Fourth Highway Engineering and CCCC Highway Consultants, will not exceed RMB1,565.44 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 6 months following the formation of the Project Company, pay 40% of their respective capital contribution to the registered capital in proportion to their respective shareholdings in the Project Company, and the remaining 60% of the capital contribution to the registered capital shall be paid by the parties proportionally in accordance with the progress of the project prior to 31 December 2026.

Scope of business: The scope of business of the Project Company is expected to include real estate development and operation, land reclamation services, parking services, catering management, landscaping project construction, urban park management, etc. (subject to the registration with the industry and commerce department).

Board of directors: The board of directors of the Project Company comprises seven directors. CCCC Investment and Haihe Company are entitled to appoint four directors and three directors, respectively. The chairman of the board of directors will be recommended by Haihe Company, and elected by the board of directors.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The purpose of formation of the Project Company is for joint investment in the PPP project for comprehensive development of the core area of Haihe Liulin themed “City of Design” in Tianjin. Leveraging on the development opportunity of Tianjin to build a “City of Design”, the project with the positioning of the core area of the “City of Design” of Tianjin will become a cluster area for the development of creative design industries in Tianjin in the future. With rich experience in the design of landscape architecture project, SMEDRIC has successively undertaken and completed many typical projects. As a leading enterprise in scientific research and design in the municipal industry, SMEDRIC can help build the project with high quality and will give full play to its brand advantages and integrate internal and external resources, 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 CCGG, 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, SMEDRIC 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. SMEDRIC 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) CCCC Investment

CCCC Investment is a subsidiary of the Company incorporated in the PRC and is primarily engaged in investing in infrastructure including foreign and domestic traffic, environmental protection and reclamation projects, and areas such as logistics, real estate and finance, as well as leasing office and commercial buildings.

(3) CCCC First Harbour Engineering

CCCC First Harbour Engineering is a subsidiary of the Company incorporated in the PRC and is primarily engaged in the construction of ports, waterways, hydraulic building projects as well as highways, bridges, airports, railways, rail transit, large-scale and whole-set equipment installation, industrial and civil buildings, municipal engineering and other projects.

(4) CCCC Fourth Highway Engineering

CCCC Fourth Highway Engineering is a subsidiary of the Company incorporated in the PRC and is primarily engaged in engineering design, construction project management, construction general contracting, professional contracting, construction engineering installation, road maintenance, garden landscape design, etc.

(5) CCCC Highway Consultants

CCCC Highway Consultants is a subsidiary of the Company incorporated in the PRC and is primarily engaged in feasibility study, survey, design, supervision and monitoring of highway, bridge, tunnel, airport and facilities along highways, and preparation for standards, codes and quotas.

(6) SMEDRIC

SMEDRIC is a 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.

(7) 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.

(8) Haihe Company

Haihe Company is a company incorporated in the PRC with limited liability. It is mainly engaged in investment and management of urban infrastructure, environmental protection projects and real estate development projects, as well as urban construction project consulting, etc. Haihe Company is 100% held by Tianjin Urban Infrastructure Construction Investment Group Co., Ltd.* (天津城市基礎設施建設投資集團有限公司), which is 100% held by Tianjin State-owned Assets Supervision and Administration Commission. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Haihe Company 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 First Harbour Engineering”	CCCC First Harbour Engineering Co., Ltd.* (中交第一航務工程局有限公司), a subsidiary of the Company as at the date of this announcement
“CCCC Fourth Highway Engineering”	CCCC Fourth Highway Engineering Co., Ltd.* (中交第四公路工程局有限公司), a subsidiary of the Company as at the date of this announcement
“CCCC Highway Consultants”	CCCC Highway Consultants Co., Ltd.* (中交公路規劃設計院有限公司), a subsidiary of the Company as at the date of this announcement
“CCCC Investment”	CCCC Investment Co., Ltd.* (中交投資有限公司), 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
“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
“Haihe Company”	Tianjin Haihe Construction Development and Investment Company Limited* (天津市海河建設發展投資有限公司), a company incorporated in the PRC with limited liability, and an independent third party

“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 (Tianjin) Urban Development Co., Ltd.* (中交(天津)城市開發有限公司), 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 CCCC Investment, CCCC First Harbour Engineering, CCCC Fourth Highway Engineering, CCCC Highway Consultants, SMEDRIC and Haihe Company on 29 April 2021 in respect of the formation of the Project 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 CCGG 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
29 April 2021

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

[#] *Independent non-executive Director*

^{*} *For identification purpose only*