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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**  
**ACQUISITION OF 100% EQUITY INTEREST IN CRCM**

The Board announces that, in accordance with the resolution passed at the fifth meeting of the fifth session of the Board, on 10 June 2022, CSEC (a subsidiary of the Company) entered into the Equity Transfer Agreement with CCCG, pursuant to which, CSEC has conditionally agreed to acquire and CCCG has conditionally agreed to sell 100% equity interest in CRCM at a consideration of RMB219.8034 million.

As at the date of this announcement, CCCG is the controlling Shareholder of the Company which holds approximately 58.98% interests in the issued ordinary shares of the Company and a connected person of the Company under the Hong Kong Listing Rules. As such, the Proposed Acquisition 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 Proposed Acquisition exceeds 0.1% but is less than 5%, the Proposed Acquisition 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 fifth meeting of the fifth session of the Board, on 10 June 2022, CSEC (a subsidiary of the Company) entered into the Equity Transfer Agreement with CCCG, pursuant to which, CSEC has conditionally agreed to acquire and CCCG has conditionally agreed to sell 100% equity interest in CRCM at a consideration of RMB219.8034 million.

## **EQUITY TRANSFER AGREEMENT**

The principal terms of the Equity Transfer Agreement are set out below:

**Date:** 10 June 2022

**Parties:** (1) CCCG; and  
(2) CSEC

**Subject matter:** Pursuant to the Equity Transfer Agreement, CSEC has conditionally agreed to acquire and CCCG has conditionally agreed to sell 100% equity interest in CRCM.

**Consideration:** Pursuant to the Equity Transfer Agreement, the consideration payable by CSEC for acquisition of 100% equity interest in CRCM is RMB219.8034 million.

The consideration was determined after arm's length negotiation with reference to the appraised net assets value of CRCM as at the valuation benchmark date (i.e., 31 October 2021) as set out in the asset valuation report prepared by an independent and duly qualified PRC valuer using the asset-based approach (i.e., RMB219.8034 million).

**Payment:** CSEC should pay RMB219.8034 million in one lump sum to the bank account designated by CCCG by 30 September 2022.

**Condition Precedent:** The Equity Transfer Agreement shall be concluded upon being duly signed by the parties and shall become effective after the approval from the shareholders have been obtained at the shareholders' meeting of CRCM. As at the date of this announcement, the Equity Transfer Agreement has been approved at the shareholders' meeting of CRCM.

**Completion:** The date of payment of the consideration for the Proposed Acquisition shall be the completion date. CCCG should complete industrial and commercial change registration or filing procedures of CRCM before the date of payment of the consideration.

**Profit or loss during the transitional period:**

The profit or loss of CRCM during the transitional period (from the valuation benchmark date to the completion date) shall be enjoyed or borne by CCCG.

**INFORMATION ABOUT CRCM**

CRCM was incorporated in the PRC in December 1991. It is principally engaged in the manufacturing and maintenance of mechanical products, steel structure products, etc. As at the date of this announcement, CRCM is owned as to 100% by CCCG. The initial investment cost of 100% equity interest in CRCM, which was paid by CCCG, is RMB56.9323 million.

According to the unaudited consolidated financial statements of CRCM prepared in accordance with China Accounting Standards for Business Enterprises, as at 31 December 2021, the total assets and net assets of CRCM amounted to approximately RMB332.2907 million and RMB41.2834 million, respectively. The table below sets out the net profit/(loss) attributable to CRCM (before and after taxes and extraordinary items) for the two financial years ended 31 December 2020 and 2021:

	<b>For the year ended 31 December 2020 <i>RMB million</i></b>	<b>For the year ended 31 December 2021 <i>RMB million</i></b>
Net profit/(loss) after tax and extraordinary items	(22.9472)	1.6729
Net profit/(loss) before tax and extraordinary items	(20.9472)	3.7063

**REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Proposed Acquisition will enable CSEC to fully integrate CRCM's highway machinery manufacturing, steel structure installation and smart city business capabilities on the basis of its own strengths in road and bridge and rail transit businesses, of which CRCM's equipment business and steel structure business have strong synergy and compatibility with CSEC's construction business. The Proposed Acquisition is conducive to the establishment of a localised regional development platform for the Company, the implementation of the requirements of strengthening the main business, refining the region and fine-tuning the projects, the promotion of the business strategy of "three majors, two macros and two priorities", and the enhancement of the regional influence and competitiveness of the Company's brand, thereby contributing to the interests of the Company and its Shareholders as a whole.

## **CONFIRMATION FROM DIRECTORS**

Mr. WANG Tongzhou, Mr. WANG Haihuai, Mr. LIU Xiang, Mr. SUN Ziyu and Mr. MI Shuhua, being the Directors of the Company, are also the directors or senior management of CCCG, and therefore are deemed to have material interests in the transaction under the Equity Transfer 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 opinion that the terms of the Equity Transfer Agreement are fair and reasonable and on normal commercial terms, the transaction 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 UNDER THE HONG KONG LISTING RULES**

As at the date of this announcement, CCCG is the controlling Shareholder of the Company which holds approximately 58.98% interests in the issued ordinary shares of the Company and a connected person of the Company under the Hong Kong Listing Rules. As such, the Proposed Acquisition 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 Proposed Acquisition exceeds 0.1% but is less than 5%, the Proposed Acquisition 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) CSEC**

CSEC is a subsidiary of the Company incorporated in the PRC, with 49% equity interest directly held and 51% equity interest indirectly held through its subsidiary, CCC First Highway Engineering Group Co., Ltd.\* (中交一公局集團有限公司) (which is owned as to 87.25% by the Company and there is no other shareholder holding more than 10% equity interest) by the Company. It is principally engaged in construction of infrastructures such as railways, roads, bridges, municipal engineering, etc.

## **(3) CCCG**

CCCG is a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company holding approximately 58.98% 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 shall have the following meanings:

“Board”	the board of directors of the Company
“CCCG”	China Communications Construction Group (Limited), a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company 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 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(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules

“CRCM”	CCCC Chenzhou Road Construction Machinery Co., Ltd.* (中交郴州築路機械有限公司), a wholly-owned subsidiary of CCCG as at the date of this announcement
“CSEC”	CCCC Central-South Engineering Co., Ltd.* (中交中南工程局有限公司), a subsidiary of the Company as at the date of this announcement
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement entered into between CSEC and CCCG on 10 June 2022 for the Proposed Acquisition
“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, for the purposes of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Proposed Acquisition”	the acquisition of 100% equity interest in CRCM by CSEC from CCCG in accordance with the Equity Transfer Agreement
“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  
10 June 2022

*As at the date of this announcement, the Directors of the Company are WANG Tongzhou, WANG Haihuai, LIU Xiang, SUN Ziyu, MI Shuhua, LIU Hui<sup>#</sup>, CHAN Wing Tak Kevin<sup>#</sup>, WU Guangqi<sup>#</sup> and ZHOU Xiaowen<sup>#</sup>.*

<sup>#</sup> *Independent non-executive Director*

<sup>\*</sup> *For identification purpose only*