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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**  
**ACQUISITIONS OF EQUITY INTEREST IN CCCCSA SARL**

The Board hereby announces that, in accordance with the resolution passed at the thirty-first meeting of the fifth session of the Board, on 28 March 2024, the Company entered into the Equity Transfer Agreements with ZPMC and CORE, respectively, pursuant to which, the Company has conditionally agreed to acquire and ZPMC and CORE have conditionally agreed to sell 17.21% and 8.58% equity interest in CCCCSA SARL at a consideration of RMB183.6981 million and RMB91.5822 million, respectively.

As at the date of this announcement, ZPMC and CORE are subsidiaries of CCCG, the controlling Shareholder which holds approximately 59.41% equity interest in the issued ordinary shares of the Company. ZPMC and CORE are thus connected persons of the Company under the Hong Kong Listing Rules. As such, the Acquisition under each of the Equity Transfer Agreements 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 Acquisitions (as aggregated) exceeds 0.1% but is less than 5%, the Acquisitions are subject to the announcement requirement but 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-first meeting of the fifth session of the Board, on 28 March 2024, the Company entered into the Equity Transfer Agreements with ZPMC and CORE, respectively, pursuant to which, the Company has conditionally agreed to acquire and ZPMC and CORE have conditionally agreed to sell 17.21% and 8.58% equity interest in CCCCSA SARL at a consideration of RMB183.6981 million and RMB91.5822 million, respectively.

## EQUITY TRANSFER AGREEMENTS

The principal terms of the Equity Transfer Agreements are generally the same and are summarized as follows:

- Date:** 28 March 2024
- Parties:**
- (1) The Company; and
  - (2) The Transferors.
- Subject matter:** Pursuant to the Equity Transfer Agreements, the Company has conditionally agreed to acquire and ZPMC and CORE have conditionally agreed to sell 17.21% and 8.58% equity interest in CCCCSA SARL at a consideration of RMB183.6981 million and RMB91.5822 million, respectively.
- Basis of determination of the consideration:** The considerations under the Equity Transfer Agreements were determined after arm's length negotiations between the parties with reference to the appraised value of all shareholders' equity of CCCCSA SARL (i.e., RMB1,115.3594 million) as of 30 June 2023 (the "**Valuation Benchmark Date**") as set out in the valuation report (the "**Valuation Report**") prepared by China Faith Appraisers Co., Ltd., an independent and qualified valuer (the "**Valuer**"), using the asset-based approach and after taking into account the impact of gains and losses during the transitional period.
- Payment:** The Company shall pay the consideration in one lump sum in RMB to the bank account designated by the Transferors within 30 days after the Equity Transfer Agreements become effective on the execution date.

**Closing:** The closing of the Acquisitions will take place on the execution date of Equity Transfer Agreements. Within 90 days from the date when the Company completes payment of the consideration, all parties shall procure CCCCSA SARL to complete the relevant procedures for changes arising from the Acquisitions.

**Transitional gains and losses:** The profits and losses to be incurred by CCCCSA SARL during the transitional period from 1 July 2023 to 28 March 2024 (i.e., the closing date) will be enjoyed or borne by its original shareholders in accordance with their shareholding percentage.

## **DESCRIPTION OF THE VALUATION**

The Valuation Report will be valid until 29 June 2024. The methodology adopted for the preparation of the Valuation Report is the asset-based approach. The Valuer is of the view that, compared with the income approach and the market approach, the asset-based approach is the most appropriate valuation approach for the valuation of CCCCSA SARL for the following reasons:

The asset-based approach refers to an evaluation method that uses the balance sheet of the evaluated unit as the Valuation Benchmark Date and reasonably evaluates the value of various on-balance sheet and identifiable off-balance sheet assets and liabilities to determine the value of the target. This approach reflects corporate value from the perspective of corporate asset acquisition and construction. Accordingly, the Valuer will consider factors such as the target entity's accounting policies and operating conditions and identify the assets and liabilities on and off the balance sheet of the entity being appraised. Then the Valuer will incorporate these factors into the valuation filing and require confirmation of the valuation scope.

The income approach is a valuation method that determines the value of the target by capitalizing or discounting the expected income, and the market approach is a valuation method that determines the value of the target by comparing it with comparable listed companies or comparable transactions. The Valuer believes that based on the characteristics of assets and liabilities of CCCCSA SARL, its future annual income cannot be measured reliably, there is significant uncertainty in its future annual income, and it is impossible to obtain comparable companies and transactions. Therefore, the income approach and the market approach are not applicable for valuation, but the conditions for applying the asset-based approach have been met, so the asset-based approach has been used for the relevant valuation.

According to the valuation results, the carrying amount of CCCCSA SARL's total assets on the Valuation Benchmark Date was RMB1,760.5309 million, the appraised value was RMB1,688.2757 million with an impairment of RMB72.2552 million or 4.10%; the carrying amount of the liabilities was RMB572.9163 million, while the appraised value was RMB572.9163 million with no impairment; and the carrying amount of CCCCSA SARL's owner's equity (i.e., net assets) was RMB1,187.6146 million, the assessed value was RMB1,115.3594 million with an impairment of RMB72.2552 million or 6.08%. The valuation results of all shareholders' equity of CCCCSA SARL are lower than the carrying amount due to that the appraised value of certain long-term equity investment held by CCCCSA SARL multiplied by the shareholding percentage is lower than the carrying amount of such long-term equity investment for the depreciation and amortization of assets as well as the impacts of exchange.

The Directors have reviewed the assumptions used in the Valuation Report (including but not limited to that there will no material changes of regulatory and economic environment of the industry of CCCCSA SARL as well as its financial performance, etc.) and have been advised that the key assumptions used in the Valuation Report are generally used in valuing similar companies. The Directors are not aware of any irregularities in the quantitative inputs used in the valuation. As such, the Directors (including independent non-executive Directors) believe that the key assumptions, quantitative inputs and methods used in the valuation are fair and reasonable.

Given the above, the Directors (including independent non-executive Directors) consider that the consideration for the Acquisitions are fair and reasonable.

## **INFORMATION ABOUT CCCCSA SARL**

CCCCSA SARL was established in Luxembourg in 2017. It is mainly engaged in providing customers in Latin America with a complete set of infrastructure solutions, covering preliminary research, engineering, financing, construction to the management, operation and investment of infrastructure assets. As at the date of this announcement, the Company directly holds 21.51% of the equity interests in CCCCSA SARL and indirectly holds 19.36%, 17.21% and 16.13% of the equity interests in CCCCSA SARL respectively through its subsidiaries CHEC, CRBC and CCC Dredging. CCCCSA SARL is also owned as to 17.21% and 8.58% by ZPMC and CORE (both being subsidiaries of CCG), respectively. Upon completion of the Acquisitions, CCCCSA SARL will become a wholly-owned subsidiary of the Company. The original investment cost of 17.21% and 8.58% equity interest in CCCCSA SARL made by ZPMC and CORE respectively was USD30.9692 million and USD15.4500 million (equivalent to approximately RMB219.7203 million and RMB109.6147 million).

Based on the audited consolidated financial statements prepared by CCCCSA SARL in accordance with China Accounting Standards for Business Enterprises, as at 31 December 2023, the total assets and net assets of CCCCSA SARL amounted to RMB2,068.9436 million and RMB1,197.8400 million, respectively. The table below sets out the audited net profit/(loss) attributable to CCCCSA SARL (before and after excluding tax and extraordinary items) for the two financial years ended 31 December 2023:

	<b>For the year ended 31 December 2022 (RMB0'000)</b>	<b>For the year ended 31 December 2023 (RMB0'000)</b>
Revenue	134,037.57	174,919.51
Net profit/(loss) before tax and extraordinary items	(4,762.96)	(10,964.37)
Net profit/(loss) after tax and extraordinary items	1,111.22	(5,780.59)

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

CCCCSA SARL is mainly committed to providing a complete set of infrastructure solutions to customers in Latin America, and has segmented service markets including engineering management, concept design, environmental and social impact assessment, etc with long-term promising prospects. The Acquisitions will help the Company further increase its control over the management and operation of CCCCSA SARL, avoiding the transfer of remaining equity interests to any third party, and help support the business expansion of CCCCSA SARL, effectively promoting the development of the Company's overseas business and achieving healthy and sustained growth in overseas business. It will also enhance the overseas influence and competitiveness of the Company's brand, thereby conducive to realizing the interests of the Company and its Shareholders as a whole.

## **CONFIRMATION FROM DIRECTORS**

Mr. WANG Tongzhou, Mr. WANG Haihuai and Mr. LIU Xiang, 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 Agreements, 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 each of the Equity Transfer Agreements are fair and reasonable and on normal commercial terms, and the Acquisition under each of the Equity Transfer Agreements, although is not conducted in the ordinary and usual course of business of the Company, 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, ZPMC and CORE are subsidiaries of CCCG, the controlling Shareholder of the Company which holds approximately 59.41% equity interest in the issued ordinary shares of the Company. ZPMC and CORE are thus connected persons of the Company under the Hong Kong Listing Rules. As such, the Acquisition under each of the Equity Transfer Agreements 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 Acquisitions (as aggregated) exceeds 0.1% but is less than 5%, the Acquisitions are subject to the announcement requirement but 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) ZPMC

ZPMC is a joint stock company incorporated in the PRC with limited liability (the A shares of which are listed on the Shanghai Stock Exchange under stock code 600320 and the B shares of which are listed on the Shanghai Stock Exchange under stock code 900947), and a subsidiary of CCCG as at the date of this announcement. ZPMC is principally engaged in design, manufacturing, installation and contracting of large port handling system and equipment, marine heavy equipment, engineering machinery, engineering vessels and large metal structures.

## (3) CORE

CORE is a non-wholly-owned subsidiary of CCCG incorporated in Singapore. It is principally engaged in overseas real estate investment, development and construction. As at the date of this announcement, CORE is owned as to 51% by CCCG through its wholly-owned subsidiary, CCCG Real Estate Group Co., Ltd.\* (中交房地產集團有限公司), and as to 24.5% by CHEC and 24.5% by CRBC (both being wholly-owned subsidiaries of the Company).

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition(s)”	acquisitions of 17.21% and 8.58% equity interest in CCCCSA SARL by the Company from ZPMC and CORE, respectively, under each of Equity Transfer Agreements (each an “Acquisition” and together the “Acquisitions”)
“Board”	the board of directors of the Company
“CCCC Dredging”	CCCC Dredging Group Co., Ltd.* (中交疏浚(集團)股份有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement
“CCCSA SARL”	CCCC South America Regional Company S.à.r.l. (中國交建南部美洲區域公司), a connected subsidiary of the Company as at the date of this announcement

“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
“CHEC”	China Harbour Engineering Company Ltd.* (中國港灣工程有限責任公司), a wholly-owned subsidiary of the Company as at the date of this announcement
“Company”	China Communications Construction Company Limited* (中國交通建設股份有限公司), 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
“CORE”	CCCG Overseas Real Estate Pte. Ltd (中交海外房地產有限公司), a non-wholly-owned subsidiary of CCCG as at the date of this announcement
“CRBC”	China Road and Bridge Corporation* (中國路橋工程有限責任公司), a wholly-owned subsidiary of the Company as at the date of this announcement
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement(s)”	(i) the equity transfer agreement entered into between the Company and ZPMC on 28 March 2024 in relation to the acquisition of 17.21% equity interest in CCCCSA SARL; and (ii) the equity transfer agreement entered into between the Company and CORE on 28 March 2024 in relation to the acquisition of 8.58% equity interest in CCCCSA SARL (each an “Equity Transfer Agreement” and together the “Equity Transfer Agreements”)
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Transferor(s)”	ZPMC and/or CORE (as the case may be)
“%”	percent

*For the purpose of this announcement, unless the context otherwise requires, conversion of USD into RMB is based on the approximate exchange rate of the RMB central parity of USD1.00 to RMB7.0948 published by the People’s Bank of China as at the date of this announcement. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in RMB or USD have been, could have been or may be converted at such or any other rate or at all.*

By Order of the Board  
**China Communications Construction Company Limited**  
**WANG Tongzhou**  
*Chairman*

Beijing, the PRC  
28 March 2024

*As at the date of this announcement, the Directors of the Company are WANG Tongzhou, WANG Haihuai, LIU Xiang, 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 purposes only*