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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 hereby announces that on 26 July 2019, to jointly invest in the PPP project of integrated urban development and operation in Jianzhou New Town, Chengdu City, certain wholly-owned subsidiaries of the Company (namely CCCC Investment, CCCC Urban Investment, CCCC Highway Consultants, CCCC First Harbour, CCCC Second Harbour, CCCC Fourth Harbour and CCCC-FHDI), SMEDRIC (a wholly-owned subsidiary of CCCG) and Jianzhou New Town entered into the Shareholders' Agreement for the formation of the Project Company. Pursuant to the Shareholders' Agreement, the registered capital of the Project Company is RMB500 million, of which RMB447.75 million will be contributed by certain wholly-owned subsidiaries of the Company in total, accounting for 89.55% of the total registered capital of the Project Company; RMB2.25 million and RMB50.00 million will be contributed by SMEDRIC and Jianzhou New Town, accounting for 0.45% and 10.00% of the total registered capital of the Project Company, respectively.

Upon the formation of the Project Company, the Company will hold 89.55% of the 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 59.91% equity 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 hereby announces that, in accordance with the resolution passed at the twenty-fourth meeting of the fourth session of the Board, on 26 July 2019, to jointly invest in the PPP project of integrated urban development and operation in Jianzhou New Town, Chengdu City, certain wholly-owned subsidiaries of the Company (namely CCCC Investment, CCCC Urban Investment, CCCC Highway Consultants, CCCC First Harbour, CCCC Second Harbour, CCCC Fourth Harbour and CCCC-FHDI), SMEDRIC (a wholly-owned subsidiary of CCCG) and Jianzhou New Town entered into the Shareholders' Agreement for the formation of the Project Company. Pursuant to the Shareholders' Agreement, the registered capital of the Project Company is RMB500 million, of which RMB447.75 million will be contributed by certain wholly-owned subsidiaries of the Company in total, accounting for 89.55% of the total registered capital of the Project Company; RMB2.25 million and RMB50.00 million will be contributed by SMEDRIC and Jianzhou New Town, accounting for 0.45% and 10.00% of the total registered capital of the Project Company, respectively.

Upon the formation of the Project Company, the Company will hold 89.55% of the 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 as below:

**Date:** 26 July 2019

**Parties:**

- 1) Certain wholly-owned subsidiaries of the Company (namely CCCC Investment, CCCC Urban Investment, CCCC Highway Consultants, CCCC First Harbour, CCCC Second Harbour, CCCC Fourth Harbour and CCCC-FHDI);
- 2) SMEDRIC; and
- 3) Jianzhou New Town

<b>Registered capital:</b>	<b>Shareholder</b>	<b>Capital Contribution</b> <i>RMB' million</i>	<b>Percentage</b> <i>%</i>
	CCCC Investment	274.50	54.90
	CCCC Urban Investment	135.00	27.00
	CCCC Highway Consultants	22.50	4.50
	CCCC First Harbour	4.50	0.90
	CCCC Second Harbour	4.50	0.90
	CCCC Fourth Harbour	4.50	0.90
	CCCC-FHDI	2.25	0.45
	SMEDRIC	2.25	0.45
	Jianzhou New Town	50.00	10.00
	<b>Total</b>	<b>500</b>	<b>100</b>

Upon the formation of the Project Company, certain wholly-owned subsidiaries of the Company and SMEDRIC will make additional capital contributions to the Project Company by way of capital increase in accordance with the actual situation. Wherein, the capital contributions made by certain wholly-owned subsidiaries of the Company and SMEDRIC shall not exceed RMB3,791.51 million and RMB19.05 million, respectively.

The amount of the capital contributions under the Shareholders' 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:** The first instalment of the capital contribution is RMB250 million, which shall be paid within 60 business days after the formation of the Project Company; the second instalment of the capital contribution is RMB250 million, which shall be paid before 31 December 2037 according to the construction process and demand of the project. Certain wholly-owned subsidiaries of the Company, SMEDRIC and Jianzhou New Town shall fulfill their respective contribution obligations by cash in proportion to their respective shareholding percentage in the Project Company.

The subsequent capital contribution will be RMB3,360.56 million, which shall be paid by certain wholly-owned subsidiaries of the Company and SMEDRIC by cash in proportion to their respective shareholding percentage in the Project Company at that time according to the construction process by 2037.

<b>Scope of business:</b>	The business scope of the Project Company includes investment, construction, operation, management and maintenance of urban infrastructure and public facilities, development and operation of real estate, property management, agency of real estate, information consultation of real estate, investment, construction and operation of power facilities, investment in the engineering and construction of rivers and lakes treatment and flood control facilities, promotion and operation of industry, land arrangement and development, promotion of smart city information technology, city planning services, design consultation services, and investment and asset management, etc. (subject to registration with industrial and commerce authorities).
<b>Board of directors:</b>	The board of directors of the Project Company comprises five directors. CCCC Investment, CCCC Urban Investment and Jianzhou New Town are entitled to nominate two directors, one director and one director, respectively. The Project Company will elect one employee representative director through the employee representative congress, the employees' meeting or other democratic methods. The chairman of the board of directors will be a director nominated by CCCC Investment.
<b>Management:</b>	The management team of the Project Company comprises six members, among which CCCC Investment is entitled to nominate one general manager, who will nominate four vice general managers and one chief financial officer.

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

The purpose of establishing the Project Company is to jointly invest in the PPP project of integrated urban development and operation in Jianzhou New Town, which has investment value with its outstanding regional advantages and strong regional comprehensive strengths. The project is beneficial to enhance the principal business of the Company and increase the income of the principal business. In the meantime, due to relatively large project scale covering municipal engineering, construction, transportation, landscape, water conservancy, electric power and other industries, as well as several professional A-class qualifications in municipal engineering, construction, water conservancy, highway and landscape, and multiple professional and technical personnel of SMEDRIC, which can fulfill the design and consultation requirements for the implementation of projects. The cooperation with Jianzhou New Town and SMEDRIC is conducive to giving full play to the local regional advantages of SMEDRIC, proactively creating synergies, and optimising the design of municipal projects by leveraging on the brand strengths of SMEDRIC, which is helpful to the realisation of the interests of the Company and its Shareholders as a whole.

## **CONFIRMATION FROM DIRECTORS**

Mr. LIU Qitao and Mr. SONG Hailiang, 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 Shareholders' 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 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 59.91% equity 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. It 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 past six decades.

**(2) *Certain wholly-owned subsidiaries of the Company***

CCCC Investment is a wholly-owned 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.

CCCC Urban Investment is a wholly-owned subsidiary of the Company incorporated in the PRC and is primarily engaged in project investment, industrial investment and investment in infrastructures including domestic and overseas transportation, municipal engineering, environmental and land reclamation projects; investment and operation of port, logistics, raw materials and high technology; asset operation and management; project management services; construction services; planning consultancy services, survey and design services, engineering design services; and the development and application of new energy.

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

CCCC First Harbour is a wholly-owned subsidiary of the Company incorporated in the PRC and is principally engaged in the survey and construction of port engineering, industrial civil engineering, hydraulic engineering and municipal engineering, installation of large-scale complete sets of equipment, and scientific research and experiment on building materials, etc.

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.

CCCC Fourth Harbour is a wholly-owned subsidiary of the Company incorporated in the PRC and is principally engaged in construction of port, railway, bridge, highway and municipal projects, project consultation and survey, and manufacturing of marine ancillary equipment and leasing of equipment.

CCCC-FHDI is a wholly-owned subsidiary of the Company incorporated in the PRC and is principally engaged in engineering survey, design, consultation, management, construction general contracting and other businesses.

### **(3) SMEDRIC**

SMEDRIC is a wholly-owned subsidiary of CCCG incorporated in the PRC with limited liability. It is principally engaged in survey, design and management services of projects, and municipal, highway, bridge, tunnel, landscape, fire protection, water conservancy and hydropower, communication projects, etc.

### **(4) Jianzhou New Town**

Jianzhou New Town is a company incorporated in the PRC with limited liability and is principally engaged in investment, construction and management of municipal infrastructure and environmental treatment, development and sales of real estate, investment in the construction of auxiliary facilities, property management, etc. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of this announcement, Jianzhou New Town and its ultimate beneficial owner 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-FHDI”	CCCC-FHDI Engineering Co., Ltd.* (中交第四航務工程勘察設計院有限公司), a wholly-owned subsidiary of the Company
“CCCC First Harbour”	CCCC First Harbour Engineering Co., Ltd.* (中交第一航務工程局有限公司), a wholly-owned subsidiary of the Company
“CCCC Fourth Harbour”	CCCC Fourth Harbour Engineering Co., Ltd.* (中交第四航務工程局有限公司), a wholly-owned subsidiary of the Company
“CCCC Highway Consultants”	CCCC Highway Consultants Co., Ltd.* (中交公路規劃設計院有限公司), a wholly-owned subsidiary of the Company
“CCCC Investment”	CCCC Investment Co., Ltd.* (中交投資有限公司), 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
“CCCC Urban Investment”	CCCC Urban Investment Co., Ltd.* (中交城市投資控股有限公司), a wholly-owned subsidiary of the Company



“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 limited company incorporated in the PRC, the H shares of which are listed on The Stock Exchange of Hong Kong Limited under the stock code 1800 and the A shares of which are listed on the Shanghai Stock Exchange under the 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
“Jianzhou New Town”	Chengdu Jianzhou New Town Investment Group Co., Ltd. * (成都市簡州新城投資集團有限公司), a company incorporated in the PRC with limited liability and an independent third party
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Project Company”	CCCC (Chengdu) Urban Development Company Limited* (中交(成都)城市開發有限公司), 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
“Shareholders’ Agreement”	the shareholders’ agreement entered into by CCCC Investment, CCCC Urban Investment, CCCC Highway Consultants, CCCC First Harbour Engineering, CCCC Second Harbour Engineering, CCCC Fourth Harbour Engineering, CCCC-FHDI with SMEDRIC and Jianzhou New Town on 26 July 2019



“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 wholly-owned subsidiary of the CCCG

“%” percent

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

Beijing, the PRC  
26 July 2019

*As at the date of this announcement, the Directors of the Company are LIU Qitao, SONG Hailiang, CHEN Yun, LIU Maoxun, QI Xiaofei, 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*