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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**  
**SUBSCRIPTION OF THE PERPETUAL CAPITAL SECURITIES**

On 27 December 2019, CFHCC City Investment entered into the Investment Contract I with Tianjin CCCC Greentown, pursuant to which Tianjin CCCC Greentown agreed to issue and CFHCC City Investment agreed to subscribe the perpetual capital securities in the principal amount of RMB670,486,362. On the same day, CCCC Beijing-Tianjin-Hebei Investment entered into the Investment Contract II with Tianjin CCCC Greentown, pursuant to which Tianjin CCCC Greentown agreed to issue and CCCC Beijing-Tianjin-Hebei Investment agreed to subscribe the perpetual capital securities in the principal amount of RMB343,839,160.

As at the date of this announcement, Tianjin CCCC Greentown is a subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 57.96% interests in the issued ordinary shares of the Company. Tianjin CCCC Greentown is thus a connected person of the Company under the Hong Kong Listing Rules. As such, the subscription under the Investment Contract constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Investment Contract (on an aggregate basis) exceeds 0.1% but is less than 5%, the Investment Contract and the transactions contemplated thereunder are subject to the announcement requirement but are exempted from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

## INTRODUCTION

On 27 December 2019, CFHCC City Investment entered into the Investment Contract I with Tianjin CCCC Greentown, pursuant to which Tianjin CCCC Greentown agreed to issue and CFHCC City Investment agreed to subscribe the perpetual capital securities in the principal amount of RMB670,486,362. On the same day, CCCC Beijing-Tianjin-Hebei Investment entered into the Investment Contract II with Tianjin CCCC Greentown, pursuant to which Tianjin CCCC Greentown agreed to issue and CCCC Beijing-Tianjin-Hebei Investment agreed to subscribe the perpetual capital securities in the principal amount of RMB343,839,160.

## INVESTMENT CONTRACT

The principal terms of each of the Investment Contract are about the same, which are summarized as follows:

<b>Date:</b>	27 December 2019
<b>Parties:</b>	(1) the subscriber (refers to CFHCC City Investment when mentioned in the Investment Contract I and CCCC Beijing-Tianjin-Hebei Investment when mentioned in the Investment Contract II); and  (2) Tianjin CCCC Greentown
<b>Principal amount:</b>	(1) Under the Investment Contract I, Tianjin CCCC Greentown agreed to issue and the subscriber agreed to subscribe the perpetual capital securities in the principal amount of RMB670,486,362.  (2) Under the Investment Contract II, Tianjin CCCC Greentown agreed to issue and the subscriber agreed to subscribe the perpetual capital securities in the principal amount of RMB343,839,160.
<b>Issue price:</b>	100% of principal amount of securities
<b>Distribution:</b>	The subscriber is entitled to receive distributions at the applicable distribution rate since the payment of the initial subscription amount. Tianjin CCCC Greentown shall pay the distribution on 26 December each year (each being a “ <b>Distribution Payment Date</b> ”).

**Distribution rate:**

The distribution rate is determined by the net profit of Tianjin CCCC Greentown, and the distribution rate for the current year is calculated as a node at 31 December in each year: (i) if Tianjin CCCC Greentown records losses, the distribution rate for the current year is 0%; (ii) if Tianjin CCCC Greentown records profit but the net profit margin does not exceed 5.5%, the distribution rate for the current year is the net profit margin of Tianjin CCCC Greentown; and (iii) if Tianjin CCCC Greentown records profit and the net profit margin exceeds 5.5%, the distribution rate for the current year is 5.5%.

Since the first date when the payment of the principal amount has reached two years, the distribution rate will be adjusted once each year (each being an “**Adjustment Date**”) through adding the distribution rate applicable to the previous day of the Adjustment Date to the maturity adjustment distribution rate (i.e. 1% per annum up to a maximum of 3 %).

**Distribution deferral:**

Tianjin CCCC Greentown may, at its sole and absolute discretion, elect to defer whole or part of the distribution originally scheduled to be paid on the Distribution Payment Date to the next Distribution Payment Date, unless a compulsory distribution payment event occurs within twelve months prior to the original Distribution Payment Date. There is no restriction on the number of times regarding distribution deferral, provided that a written notice is given to the subscriber or an announcement is published more than 21 working days prior to the original Distribution Payment Date.

The abovementioned compulsory distribution payment events include: (i) Tianjin CCCC Greentown distributes dividends to its shareholders; and (ii) Tianjin CCCC Greentown reduces the registered capital.

**Redemption:** Securities issued and subscribed under the Investment Contract are perpetual capital securities with no fixed redemption date. Upon giving not less than 30 working days' prior notice to the subscriber, Tianjin CCCC Greentown may choose to redeem all or part of the securities on any Distribution Payment Date (each being a "**Redemption Date**"). The redemption price shall be the principal amount of the corresponding securities (the principal amount of the securities redeemed shall be not less than RMB1,000,000) plus any payable distribution as at the Redemption Date. If Tianjin CCCC Greentown fails to pay the redemption price in full, the redemption amount paid shall be used to settle the payable distribution in priority and the remaining amount will be regarded as the principal amount of the securities redeemed by Tianjin CCCC Greentown.

**Status of Securities:** When Tianjin CCCC Greentown is in liquidation, the subscriber has the right to request Tianjin CCCC Greentown, after repaying the debts and before distributing the remaining assets to its shareholders, to fully settle the principal amount of the perpetual capital securities and the payable distribution. Tianjin CCCC Greentown shall not distribute the remaining assets to its shareholders until fully settling the principal amount of the perpetual capital securities and the payable distribution.

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

On 31 October 2018, to jointly invest in the construction of the Chentang Area integrated development project in Hexi District, CFHCC City Investment and CCCC Beijing-Tianjin-Hebei Investment entered into the cooperation framework agreement with Tianjin Greentown Northern Real Estate Co., Ltd. and formed the project company, i.e. Tianjin CCCC Greentown. The subscription of the perpetual capital securities issued by Tianjin CCCC Greentown will help to speed up the construction of the project, seize the market quickly and improve the market share, which will also serve as a platform to further develop the market of other sectors, and therefore improve the Company's income from the project. Meanwhile, the Greentown has excellent brand value and mature experience in projects, the subscription of perpetual capital securities will provide the Company with long-term investment opportunities, obtain relatively stable returns and expand the source of income, which is beneficial to the realisation of the interests of the Company and its Shareholders as a whole.

## **CONFIRMATION FROM DIRECTORS**

Mr. LIU Qitao, Mr. SONG Hailiang, Mr. LIU Maoxun and Mr. QI Xiaofei, being the Directors of the Company, are also the directors of CCCG, and therefore are deemed to have a material interests in the transaction contemplated under the Investment Contract, 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 Investment Contract are fair and reasonable and on normal commercial terms, and the transaction contemplated thereunder, although not conducted in the ordinary and usual course of the business of the Company, 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, Tianjin CCCC Greentown is a subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 57.96% interests in the issued ordinary shares of the Company. Tianjin CCCC Greentown is thus a connected person of the Company under the Hong Kong Listing Rules. As such, the subscription under the Investment Contract constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Investment Contract (on an aggregate basis) exceeds 0.1% but is less than 5%, the Investment Contract and the transactions contemplated thereunder are subject to the announcement requirement but are 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. Its scope of business mainly consists of the investment, design, construction, operation and management of port, waterway, river basin, road and bridge, railway, tunnel, rail transit, municipal infrastructure, environmental protection and land reclamation at home and abroad. The Company 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) CFHCC City Investment**

CFHCC City Investment is a wholly-owned subsidiary of the Company incorporated in the PRC and is principally engaged in urban public facilities investment and management; real estate development; sales; parking lot service; house leasing; and land consolidation.

## **(3) CCCC Beijing-Tianjin-Hebei Investment**

CCCC Beijing-Tianjin-Hebei Investment is a wholly-owned subsidiary of the Company incorporated in the PRC and is principally engaged in investment, development, construction and operation of transportation infrastructure and urban complex, etc.

## **(4) Tianjin CCCC Greentown**

Tianjin CCCC Greentown is a non-wholly-owned subsidiary of CCCG incorporated in the PRC with limited liability and is primarily engaged in the development of real estate. As at the date of this announcement, Tianjin CCCC Greentown was held as to 41%, 39% and 20% by Tianjin Greentown Northern Real Estate Co., Ltd. (a subsidiary of CCCG), CFHCC City Investment and CCCC Beijing-Tianjin-Hebei Investment (both are wholly-owned subsidiaries of the Company), respectively.

## **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 Beijing-Tianjin-Hebei Investment”	CCCC Beijing-Tianjin-Hebei Investment and Development Co., Ltd. (中交京津冀投資發展有限公司), a wholly-owned subsidiary of the Company
“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

“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 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
“CFHCC City Investment”	CFHCC City Investment Development (Tianjin) Co., Ltd. (中交一航局城市投資發展(天津)有限公司) (formerly known as CCCC First Harbour Real Estate Development Co., Ltd. (中交一航局房地產開發有限公司)), a wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Investment Contract”	Investment Contract I and Investment Contract II
“Investment Contract I”	the investment contract entered into between CFHCC City Investment and Tianjin CCCC Greentown on 27 December 2019 for the subscription of the perpetual capital securities in the principal amount of RMB670,486,362
“Investment Contract II”	the investment contract entered into between CCCC Beijing-Tianjin-Hebei Investment and Tianjin CCCC Greentown on 27 December 2019 for the subscription of the perpetual capital securities in the principal amount of RMB343,839,160
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder(s)”	the shareholder(s) of the Company
“Tianjin CCCC Greentown”	Tianjin CCCC Greentown Urban Construction and Development Company Limited (天津中交綠城城市建設發展有限公司), a non-wholly-owned subsidiary of CCCG
“%”	percent

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

Beijing, the PRC  
27 December 2019

*As at the date of this announcement, the Directors of the Company are LIU Qitao, SONG Hailiang, LIU Maoxun, QI Xiaofei, HUANG Long<sup>#</sup>, ZHENG Changhong<sup>#</sup> and NGAI Wai Fung<sup>#</sup>.*

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