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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
CAPITAL INCREASE IN CCCC TIANHE

The Board hereby announces that, in accordance with the resolution passed at the thirty-first meeting of the fourth session of the Board, on 4 June 2020, the Company, CCCC Tianjin Dredging, Chuwa Bussan, ZPMC and CCCC Tianhe entered into the Capital Increase Agreement. Pursuant to the Capital Increase Agreement, the Company agreed to make a capital increase of RMB1,000,000,000 in CCCC Tianhe in cash, of which RMB659,675,300 will be included in the registered capital and RMB340,324,700 will be included in the capital reserve.

As at the date of this announcement, ZPMC is a subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 57.96% equity interests in the issued ordinary shares of the Company. ZPMC is thus a connected person of the Company under the Hong Kong Listing Rules. As such, the Capital Increase under the Capital Increase 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 Capital Increase under the Capital Increase Agreement exceeds 0.1% but is less than 5%, the Capital Increase Agreement and the transaction contemplated thereunder are subject to the announcement requirement but are 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 fourth session of the Board, on 4 June 2020, the Company, CCCC Tianjin Dredging, Chuwa Bussan, ZPMC and CCCC Tianhe entered into the Capital Increase Agreement. Pursuant to the Capital Increase Agreement, the Company agreed to make a capital increase of RMB1,000,000,000 in CCCC Tianhe in cash, of which RMB659,675,300 will be included in the registered capital and RMB340,324,700 will be included in the capital reserve.

Capital Increase Agreement

The principal terms of the Capital Increase Agreement are set out below:

- Date:** 4 June 2020
- Parties:**
- 1) the Company;
 - 2) CCCC Tianjin Dredging;
 - 3) Chuwa Bussan;
 - 4) ZPMC; and
 - 5) CCCC Tianhe

Subject matter: The Company agreed to make a capital increase of RMB1,000,000,000 in CCCC Tianhe in cash, of which RMB659,675,300 will be included in the registered capital and RMB340,324,700 will be included in the capital reserve.

The following table sets out the shareholding structure of CCCC Tianhe (i) as at the date of this announcement; and (ii) immediately after completion of the Capital Increase:

Shareholder	As at the date of this announcement			Immediately after completion of the Capital Increase		
	Registered capital (RMB)	Capital reserve (RMB)	Shareholding (%)	Registered capital (RMB)	Capital reserve (RMB)	Shareholding (%)
The Company	160,000,000	0	23.47	819,675,300	340,324,700	61.12
CCCC Tianjin Dredging	150,000,000	0	22.01	150,000,000	0	11.18
Chuwa Bussan	150,000,000	16,000	22.01	150,000,000	16,000	11.18
ZPMC	221,627,100	6,766,900	32.51	221,627,100	6,766,900	16.52

The amount of capital contributions under the Capital Increase Agreement was determined after arm's length negotiations between the parties, with reference to the appraised net assets value of CCCC Tianhe on 30 June 2019 (i.e. valuation benchmark date) as set out in the assets valuation report prepared by an independent and qualified appraiser using the asset-based approach (i.e. RMB1,033,276,700), and taking into account various factors, including the nature of business, the demand for working capital and future development plans of CCCC Tianhe.

Payment of capital contribution: The Company shall pay the capital contribution in full before 30 December 2020.

Use of the increased capital: The increased capital will be used to replenish the liquidity of CCCC Tianhe.

INFORMATION ABOUT CCCC TIANHE

CCCC Tianhe is a company incorporated in the PRC, and is principally engaged in system integration design, research and development and manufacturing of shield machines and tunnel boring machines (TBMs), as well as design, research and development and manufacturing of engineering vessels, cranes and components.

According to the audited consolidated financial statements of CCCC Tianhe prepared in accordance with China Accounting Standards for Business Enterprises, as at 31 December 2019, the total assets and net assets of CCCC Tianhe amounted to approximately RMB5,128,379,900 and RMB1,014,782,000, respectively. The table below sets out the net profit/(loss) attributable to CCCC Tianhe (before and after taxes and extraordinary items) for the two financial years ended 31 December 2018 and 2019:

	For the year ended 31 December 2018 RMB	For the year ended 31 December 2019 RMB
Net profit/(loss) after tax and extraordinary items	58,624,500	71,810,900
Net profit/(loss) before tax and extraordinary items	68,777,700	73,971,500

REASONS FOR AND BENEFITS OF THE TRANSACTION

Upon completion of the Capital Increase, the Company will become the controlling shareholder of CCCC Tianhe, and CCCC Tianhe will become a subsidiary of the Company. The operational statistics of CCCC Tianhe will be included into other business segments of the Company and its results will be consolidated into the financial statements of the Company. The capital contribution by the Capital Increase will satisfy the needs of CCCC Tianhe in production and operation development. Meanwhile, as the shield operations of CCCC Tianhe are highly related to the construction operations of the Company, it could directly provide consultation, quotation and after-sale services for shield equipment involved in the construction such as railway, highway, rail transportation and underground tunnel undertaken by the Company, and is conducive to the promotion of the coordinated development between the Company and CCCC Tianhe, 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 and Mr. LIU Maoxun, being the Directors of the Company, are also the directors of CCCG, and therefore are deemed to have material interests in the transaction under the Capital Increase 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 Capital Increase Agreement are fair and reasonable and on normal commercial terms, and the Capital Increase thereunder, although 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 OF HONG KONG LISTING RULES

As at the date of this announcement, ZPMC is a subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 57.96% equity interests in the issued ordinary shares of the Company. ZPMC is thus a connected person of the Company under the Hong Kong Listing Rules. As such, the Capital Increase under the Capital Increase 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 Capital Increase under the Capital Increase Agreement exceeds 0.1% but is less than 5%, the Capital Increase Agreement and the transaction 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 years.

(2) CCCC Tianjin Dredging

CCCC Tianjin Dredging is a wholly-owned subsidiary of the Company incorporated in the PRC, and is principally engaged in the general contracting of ports and channel engineering construction, and municipal, water conservancy, ecological protection, environmental treatment and other infrastructure construction projects.

(3) Chuwa Bussan

Chuwa Bussan is a non wholly-owned subsidiary of the Company incorporated in Japan, and is principally engaged in the sales, import and export business of equipment, machinery, ships, materials and relevant components thereof which are necessary for port construction and other construction business.

(4) ZPMC

ZPMC is a joint stock company incorporated in the PRC with limited liability and a non wholly-owned 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 vessel and large metal structures.

(5) CCCG

CCCG is a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company holding approximately 57.96% 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.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Capital Increase”	the capital increase in CCCC Tianhe by the Company contemplated under the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement entered into among the Company, CCCC Tianjin Dredging, Chuwa Bussan, ZPMC and CCCC Tianhe on the Capital Increase in CCCC Tianhe by the Company on 4 June 2020

“CCCC Tianhe”	CCCC Tianhe Machinery and Equipment Manufacturing Co., Ltd. (中交天和機械設備製造有限公司), a non wholly- owned subsidiary of CCCG as at the date of this announcement and a non wholly- owned subsidiary of the Company upon completion of the Capital Increase
“CCCC Tianjin Dredging”	CCCC Tianjin Dredging Co., Ltd. (中交天津航道局有限公司), a wholly-owned 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
“Chuwa Bussan”	Chuwa Bussan Company Limited (中和物產株式會社), a non wholly-owned subsidiary 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
“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
“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

“ZPMC”

Shanghai Zhenhua Heavy Industries Co., Ltd. (上海振華重工(集團)股份有限公司), a company incorporated in the PRC on 14 February 1992, the shares of which are listed on the Shanghai Stock Exchange, and a non wholly-owned subsidiary of CCCG 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

4 June 2020

As at the date of this announcement, the directors of the Company are LIU Qitao, SONG Hailiang LIU Maoxun, HUANG Long[#], ZHENG Changhong[#] and NGAI Wai Fung[#].

[#] *Independent non-executive Directors*