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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 JOINT VENTURE

The Board is pleased to announce that on 16 July 2019, CHEC, CRBC, CCCC WTC (all are wholly-owned subsidiaries of the Company) and ZPMC (a non-wholly owned subsidiary of CCCG) entered into the Shareholders' Agreement in connection with the proposed formation of the Joint Venture. Pursuant to the Shareholders' Agreement, the registered capital of the Joint Venture is USD200 million (equivalent to approximately HKD1,566 million), of which USD102 million, USD76 million, USD20 million and USD2 million (equivalent to approximately HKD798 million, HKD595 million, HKD157 million and HKD16 million) will be contributed by CHEC, ZPMC, CRBC and CCCC WTC, accounting for 51%, 38%, 10% and 1% of the registered capital of the Joint Venture, respectively.

Upon establishment of the Joint Venture, the Company will indirectly hold an aggregate of 62% of the equity interests in the Joint Venture. Therefore, the Joint Venture will be a subsidiary of the Company, and its financial results will be consolidated into that of the Group.

As at the date of this announcement, ZPMC is a subsidiary of CCCG, and CCCG is the controlling Shareholder of the Company, which holds approximately 59.91% 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 formation of the Joint Venture 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 Joint Venture under the Shareholders' Agreement exceeds 0.1% but is less than 5%, the Shareholders' Agreement and the transaction contemplated thereunder is subject to announcement requirement but is exempted from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

BACKGROUND

The Board is pleased to announce that on 16 July 2019, CHEC, CRBC, CCCC WTC (all are wholly-owned subsidiaries of the Company) and ZPMC (a non-wholly owned subsidiary of CCCG) entered into the Shareholders' Agreement in connection with the proposed formation of the Joint Venture. Pursuant to the Shareholders' Agreement, the registered capital of the Joint Venture is USD200 million (equivalent to approximately HKD1,566 million), of which USD102 million, USD76 million, USD20 million and USD2 million (equivalent to approximately HKD798 million, HKD595 million, HKD157 million and HKD16 million) will be contributed by CHEC, ZPMC, CRBC and CCCC WTC, accounting for 51%, 38%, 10% and 1% of the registered capital of the Joint Venture, respectively.

Upon establishment of the Joint Venture, the Company will indirectly hold an aggregate of 62% of the equity interests in the Joint Venture. Therefore, the Joint Venture will be 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 follows:

- Date:** 16 July 2019
- Parties:**
- (1) CHEC;
 - (2) ZPMC;
 - (3) CRBC; and
 - (4) CCCC WTC

| Registered capital: | Shareholder | Capital contribution | | Percentage |
|---------------------|--------------|----------------------|---------------------|------------|
| | | <i>USD' million</i> | <i>HKD' million</i> | <i>%</i> |
| | CHEC | 102 | 798 | 51 |
| | ZPMC | 76 | 595 | 38 |
| | CRBC | 20 | 157 | 10 |
| | CCCC WTC | 2 | 16 | 1 |
| | Total | 200 | 1,566 | 100 |

In respect of loans extended by banks or third parties, in the event that the lender requires the provision of any guarantees or other security, the sums secured by such guarantees shall be apportioned among the shareholders in proportion to their shareholdings in the Joint Venture at the time of providing such undertakings or guarantees, and all such guarantees shall be given on a several basis. The Company will perform further disclosure obligations, if required, in due time according to the requirements of the Hong Kong Listing Rules.

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 Joint Venture.

Payment of the capital contribution:

5% of the capital contributions (i.e. USD10 million, equivalent to approximately HKD78 million) shall be made as of the effective date (i.e. 16 July 2019), and the remaining capital contributions shall be made by the shareholders in proportion to their shareholdings in the Joint Venture by way of the Joint Venture providing not less than 14 calendar days' notice to them based on its actual operation demands. Where any shareholder fails or declines to make the remaining capital contributions within 60 days or such other period specified by the Joint Venture, the then other shareholders shall be obliged to pay this part in proportion to their shareholdings in the Joint Venture.

Principal business:

The business of the Joint Venture is expected to include investment holding activities, overseas port planning, operation and investments, and to undertake advisory services in respect of such investments.

Board of directors: The board of directors of the Joint Venture comprises no more than six directors. CHEC, ZPMC and CRBC are entitled to nominate three, two and one director of the Joint Venture, respectively. The chairman of the board of directors, who will have a casting vote in the event of an equality of votes or a deadlock, shall be held by the director nominated by CHEC. CCCC WTC is only entitled to nominate an ex-officio representative on the board of directors.

Management: The management team of the Joint Venture comprises four members, of which one president and one executive president will be nominated by CHEC, while one executive president and one chief financial officer will be nominated by ZPMC.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Joint Venture is established to conduct the business of the operation and investment of harbours, which will facilitate the Company to build an overseas platform for the harbour operations, enhance its international competitiveness of the whole industry chain, and thus benefit the profitability of the Company by better seizing the policy opportunities.

CONFIRMATION FROM DIRECTORS

Mr. LIU Qitao and Mr. SONG Hailiang, being Directors of the Company, are also directors of CCG and therefore deemed to have material interests in the formation of the Joint Venture under the Shareholder's Agreement and have abstained from voting on the relevant board resolution. Save for Mr. LIU Qitao and Mr. SONG Hailiang, none of the other Directors of the Company has or is deemed to have a material interest in the abovementioned transaction.

The Directors (including the independent non-executive Directors), having made all reasonable and due inquiries, are of the opinion 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 the business of the Company and is in the interests of the Company and the Shareholders as a whole.

HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, ZPMC is a subsidiary of CCCG, and CCCG is the controlling Shareholder of the Company, which holds approximately 59.91% 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 formation of the Joint Venture 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 Joint Venture under the Shareholders' Agreement exceeds 0.1% but is less than 5%, the Shareholders' Agreement and the transaction contemplated thereunder is subject to 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) CHEC

CHEC is a wholly-owned subsidiary of the Company incorporated in the PRC and is primarily engaged in the construction of domestic and overseas infrastructures, including the construction engineering consultation, survey and construction general contracting of ports, terminals, airports, railways, highways, bridges, and other projects, as well as the manufacturing and procurement of special ships and equipment.

(3) CRBC

CRBC is a wholly-owned subsidiary of the Company incorporated in the PRC and is primarily engaged in engineering contracting such as road, bridge, port, airport, tunnel, waterway transportation construction and municipal projects in the PRC and overseas, as well as businesses such as investment, industrial investment, trading, leasing and servicing.

(4) CCCC WTC

CCCC WTC is a wholly-owned subsidiary of the Company incorporated in the PRC. It is primarily engaged in industry research, consultation, investment and financing, planning, design, project contracting and project supervision of the whole industry chain, which involves water transportation, construction, municipal project, bridges, ocean, environmental protection and logistic etc.

(5) ZPMC

ZPMC is an enterprise established under the laws of the PRC and a non-wholly owned subsidiary of CCCG. ZPMC is primarily engaged in design, construction, installation and contracting of large port handling systems and equipment, heavy marine equipment, construction machinery, engineering ships, and large metal structures, their parts and accessories, ship repair, self-produced crane rental business, selling self-made products, engaged in international maritime shipping using special transport ships for shipping whole-machinery, steel structure engineering professional contracting, power engineering construction and mechanical and electrical installation engineering construction.

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 WTC” | CCCC Water Transportation Consultants Co., Ltd. (中交水運規劃設計院有限公司), 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 |
| “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 |

| | |
|---------------------------|---|
| “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 |
| “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 |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HKD” | Hong Kong dollars |
| “Hong Kong Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Joint Venture” | China Harbor Investment PTE. LTD.* (中國港口投資有限責任公司), a company established in Singapore with limited liabilities |
| “PRC” | the People’s Republic of China, which for the purposes of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan |
| “Shareholders’ Agreement” | the shareholders’ agreement dated 16 July 2019 entered into among CHEC, ZPMC, CRBC and CCCC WTC in respect of the formation of the Joint Venture |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “USD” | the lawful currency of the United States of America |

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

“%” percent

For the purpose of this announcement, unless the context otherwise requires, conversion of USD into HKD is based on the approximate exchange rate of USD1.00 to HKD7.828. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in USD or HKD 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
ZHOU Changjiang
Company Secretary

Beijing, the PRC
16 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[#], ZHENG Changhong[#] and NGAI Wai Fung[#].

[#] *Independent non-executive Director of the Company*

^{*} *For identification purpose only*