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CCT FORTIS HOLDINGS LIMITED
(中建富通集團有限公司)

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 00138)

ANNOUNCEMENT REGARDING POSSIBLE SUBSCRIPTION OF NEW SHARES OF CCT LAND BY AN INVESTOR AND POSSIBLE APPLICATION FOR WHITEWASH WAIVER BY CCT LAND

This announcement is made by the Company on a voluntary basis.

POSSIBLE TRANSACTION OF CCT LAND

The board of directors (the "**Board**") of CCT Fortis Holdings Limited (the "**Company**") wishes to announce that the Board has been informed by CCT Land Holdings Limited ("**CCT Land**") that on 21 December 2015 (after the trading hours of the Stock Exchange), CCT Land entered into a memorandum ("**Memorandum**") with Xinxing Pipes (Hong Kong) Co., Limited (the "**Investor**"), which is a wholly-owned subsidiary of Xinxing Ductile Iron Pipes Co., Ltd. (the "**Xinxing Ductile**"), in relation to a possible subscription of new shares of CCT Land (the "**CCT Land Shares**"). Xinxing Ductile is a subsidiary of Xinxing Cathay International Group Co., Ltd ("**Xinxing Cathay Group**"). CCT Land is a company incorporated in Bermuda and its shares of CCT Land are listed on the main board of the Stock Exchange. The Board has been informed by CCT Land of the following key terms of the Memorandum:

1. The Investor intends to apply funds of HK$1.2 billion to subscribe for new CCT Land Shares and CCT Land intends to issue new CCT Land Shares to the Investor (the "**Possible Transaction**"). If the Possible Transaction proceeds to completion, the Investor may become a controlling shareholder (within the meaning of the Rules Governing the Listing of Stock Exchange (the "**Listing Rules**")) of CCT Land. The final transaction price for the Possible Transaction and the resulting shareholding structure of CCT Land will be determined in the definitive share subscription agreement to be agreed by both parties.

2. Completion of the Possible Transaction will be subject to a number of conditions precedent which will include, among others, (i) approval of independent shareholders (the "**CCT Land Independent Shareholders**") of CCT Land of the issue of the new CCT Land Shares to be issued to the Investor and a waiver (the "**Whitewash Waiver**") of the Executive Director (the "**Executive**") of the Corporate Finance Division of the Securities and Future Commission (the "**SFC**") from the obligations of the Investor to make a mandatory general offer as a result of the Possible Transaction for all the CCT Land Shares not already owned or agreed to be acquired by the Investor and parties acting in concert with it under Rule 26 of the Code on Takeovers and Mergers (the "**Takeovers Code**") issued by SFC as amended from time to time; and (ii) the Executive having granted the Whitewash Waiver in respect of the Possible Transaction and the Whitewash Waiver not having been revoked. If the conditions precedent which include, among others, the CCT Land Independent Shareholders' approval of the Possible Transaction and the Whitewash Waiver at a special general meeting of CCT Land and the granting of the Whitewash Waiver by the Executive are not fulfilled, the Possible Transaction will not proceed.

3. The Investor will appoint professionals to carry out due diligence in respect of CCT Land and CCT Land will use its best endeavours to cooperate with the Investor in respect of its due diligence work.

4. Both parties to the Memorandum will use their best endeavours to negotiate the detailed terms and conditions of the Possible Transaction and enter into the definitive share subscription agreement within 90 days of the date of the Memorandum (or such later date as both parties may agree in writing) (the "**Long Stop Date**"), failing which the Memorandum will terminate and cease to have any effect. Each party to the Memorandum undertakes to the other party that during the period before the Long Stop Date, it will not negotiate or enter into any agreement with any third party in respect of the subject matter of the Possible Transaction.

As at the date of this announcement, the Company held indirectly through its wholly-owned subsidiary, CCT Telecom Securities Limited ("**CCT Securities**") a total 15,426,000,000 CCT Land Shares (representing approximately 16.72% of the existing total number of issued shares of CCT Land). In addition, as at the date of this announcement, the Company held indirectly through CCT Securities convertible bonds (the "**Convertible Bonds**") issued by CCT Land of outstanding principal amount of HK$705,671,000, convertible into 70,567,100,000 CCT Land Shares at the initial conversion price of HK$0.01 per CCT Land Share (subject to adjustment in accordance with the terms of the convertible bonds). The above CCT Land Shares, the Convertible Bonds and the CCT Land Shares to be allotted and issued upon the exercise of the Convertible Bonds are held by CCT Securities in the ordinary and usual course of the security trading business of CCT Securities.

To the best of knowledge, information and belief of the directors of the Company (the "**Directors**"), having made all reasonable enquiries and based on information from CCT Land, each of the Investor and its ultimate beneficial owner(s) is a party independent of each of the Company and CCT Land and their respective connected persons.

INFORMATION ON CCT LAND AND THE INVESTOR

As at the date of this announcement, CCT Land and its subsidiaries (the "**CCT Land Group"**) are engaged in (i) development and sale of residential and commercial properties in the mainland of the People's Republic of China (the "**PRC**"); and (ii) design, development, manufacturing and sale of telecom, electronic and child products.

The Investor is a company incorporated in Hong Kong and is a wholly-owned subsidiary of Xinxing Ductile, which is a company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange. Xinxing Ductile is the largest manufacturer of ductile iron pipes and steel gratings in terms of production scale in the world. It is the directly owned core enterprise of the Xinxing Cathay Group. The Xinxing Cathay Group is a central state-owned enterprise of the PRC and is under the direct supervision of the State-owned Assets Supervision and Administration Commission of the State Council ("**SASAC**") of the PRC. Xinxing Cathay Group is one of the first batch of the six central stated-owned enterprises announced by the SASAC in 2015 to undergo reform trail run. It is a large conglomerate and is one of the World Top 500 enterprises. Besides the principal activities of Xinxing Ductile, Xinxing Cathay Group has large facilities for production and research of military general logistic supplies, occupational wears, professional shoes and boots and high-end textile products. Within the Xinxing Cathay Group, the Xinxing Heavy Industrial Group is the leader in the research and production base of diesel and natural gas dual fuel vehicles and is the founding unit of the state rescue industry alliance. The Xinxing Cathay Group is one of the leading operators in the sectors of commercial properties, construction and development, general logistic industry and city comprehensive investment in the PRC mainland.

CAUTION

No definitive share subscription agreement has yet been entered into between CCT Land and the Investor in relation to the Possible Transaction. Further, the Possible Transaction will be subject to a number of conditions precedent, including the CCT Land Independent Shareholders' approval of the Possible Transaction and the Whitewash Waiver and the granting of the Whitewash Waiver by the Executive, and these conditions precedent may or may not be fulfilled. As such, the Possible Transaction may or may not proceed. Shareholders and potential investors of the Company should thus exercise caution in dealing in the securities of the Company.

By Order of the Board of
CCT FORTIS HOLDINGS LIMITED
Mak Shiu Tong, Clement
Chairman

Hong Kong, 22 December 2015

As at the date of this announcement, the executive Directors are Mr. Mak Shiu Tong, Clement, Mr. Tam Ngai Hung, Terry, Ms. Cheng Yuk Ching, Flora and Dr. William Donald Putt and the independent non-executive Directors are Mr. Tam King Ching, Kenny, Mr. Chow Siu Ngor and Mr. Chen Li.