

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

 **中國建築國際集團有限公司**  
CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED  
*(a company incorporated in the Cayman Islands with limited liability)*  
(Stock code: 3311)

 **遠東環球集團有限公司**  
FAR EAST GLOBAL GROUP LIMITED  
*(a company incorporated in the Cayman Islands with limited liability)*  
(Stock code: 830)

**CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO PROVISION OF EXTERIOR FACADE WORKS TO  
中國建築股份有限公司  
(CHINA STATE CONSTRUCTION ENGINEERING CORPORATION LIMITED)**

On 11 June 2012, CSCECL and Far East entered into the FE-CSCECL Sub-construction Engagement Agreement, whereby the CSCECL Group may engage the Far East Group as its subcontractor for provision of Exterior Facade Works to the CSCECL Group's construction works for the period commencing from 16 July 2012 and ending on 30 June 2015 subject to CSCECL Works Cap.

CSCECL is the intermediate holding company of CSC, of which Far East is a non-wholly owned subsidiary. Accordingly, members of the CSCECL Group are connected persons of Far East. The transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement between members of the CSCECL Group on the one hand and members of the Far East Group on the other hand, constitute continuing connected transactions for Far East under Chapter 14A of the Listing Rules.

Far East is a non-wholly owned subsidiary of CSC, which is indirectly interested in approximately 74.1% of the issued share capital of Far East. Accordingly, the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement between members of the CSCECL Group and members of Far East Group constitute continuing connected transactions for CSC under Chapter 14A of the Listing Rules.

For CSC, since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the maximum total contract sum that may be awarded for each year/period under the FE-CSCECL Sub-construction Engagement Agreement (i.e. the CSCECL Works Cap) is less than 5%, the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement are subject only to the annual review, reporting and announcement requirements, and are exempt from independent shareholders' approval requirement.

For Far East, since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the maximum total contract sum that may be awarded for each year/period under the FE-CSCECL Sub-construction Engagement Agreement (i.e. the CSCECL Works Cap) exceed 5%, the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement are subject to the annual review, reporting, announcement and independent shareholders' approval requirements. Voting at the Far East EGM will be conducted by poll and CSCECL and its associates will abstain from voting at the Far East EGM.

An independent board committee of Far East comprising all the independent non-executive directors of Far East has been formed to advise the Far East's Independent Shareholders in respect of the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement. An independent financial adviser will be appointed to advise the independent board committee of Far East and the Far East's Independent Shareholders in this connection.

A circular containing, among other things, further particulars of the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement together with, the recommendations of the independent board committee of Far East, a letter from the independent financial adviser to the independent board committee of Far East and the Far East's Independent Shareholders, and a notice convening the Far East EGM is expected to be despatched to the shareholders of Far East on or before 3 July 2012 in accordance with the Listing Rules.

## **PROVISION OF EXTERIOR FACADE WORKS**

Far East expects that the CSCECL Group may engage the Far East Group as subcontractor of the CSCECL Group for provision of Exterior Facade Works to the CSCECL Group's construction works from time to time. In this connection, on 11 June 2012, CSCECL and Far East entered into the FE-CSCECL Sub-construction Engagement Agreement for the period commencing from 16 July 2012 and ending on 30 June 2015 whereby the parties agreed that:

- (a) any member of the Far East Group may act as subcontractor of the CSCECL Group for provision of Exterior Facade Works to the CSCECL Group's construction works in accordance with the applicable subcontracting procedures of the CSCECL Group from time to time;
- (b) the parties may from time to time enter into further specific contracts, which set out the detailed terms in relation to the engagement of the member of the Far East Group to act as subcontractor of the CSCECL Group for provision of Exterior Facade Works to the CSCECL Group's construction works, provided that the total contract sum that may be awarded by the CSCECL Group to the Far East Group under the FE-CSCECL Sub-construction Engagement Agreement for the period between 16 July 2012 and 31 December 2012 shall not exceed HK\$400 million, for each of the two years ending 31 December 2014 shall not exceed HK\$800 million, and for the period between 1 January 2015 and 30 June 2015 shall not exceed HK\$400 million (i.e. the CSCECL Works Cap). The terms of the specific contracts will be negotiated on an arm's length basis between the parties; and
- (c) the fees payable by the CSCECL Group to the Far East Group will be settled pursuant to the payment terms set out in the specific contracts.

As at the date of this announcement, the Far East Group has not been engaged in any works by the CSCECL Group. The CSCECL Works Cap is calculated with reference to the total estimated contract sum of Exterior Facade Works required by the CSCECL Group's construction works in the period commencing from 16 July 2012 and ending on 30 June 2015, estimated with reference to the CSCECL Group's future growth and expansion for such period.

The contract sums under the FE-CSCECL Sub-construction Engagement Agreement will be satisfied by the CSCECL Group from its internal resources.

The FE-CSCECL Sub-construction Engagement Agreement (together with the CSCECL Works Cap) will take effect conditional upon the approval of Far East's Independent Shareholders having been obtained at the Far East EGM.

### **Reasons for the Transactions**

The CSCECL Group is a contractor mainly participating in the PRC construction market. The CSC Group is principally engaged in building construction, civil engineering works, infrastructure investment and project consultancy services. The Far East Group mainly engages in the contracting and engineering business, including design, engineering, manufacture, installation, maintenance, project consultancy and management services. Currently, the major products of the Far East Group are exterior facade systems primarily made of fabricated aluminium cladding, stainless steel and glass.

Far East has expertise in Exterior Facade Works. The directors of both CSC and Far East consider that the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement will allow Far East to maximise the profits and bring synergy effect to both Far East and CSCECL; thereby facilitating the expansion of Far East's businesses.

The directors of CSC (including the independent non-executive directors of CSC) consider that the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement are expected to be entered into in the ordinary and usual course of business of the Far East Group, and the FE-CSCECL Sub-construction Engagement Agreement (together with the CSCECL Works Cap) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement (together with the CSCECL Works Cap) are fair and reasonable and in the interests of CSC and the shareholders of CSC as a whole.

The directors of Far East (other than the independent non-executive directors of the Far East whose opinion will be provided after reviewing the advice of the independent financial adviser) consider that the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement are expected to be entered into in the ordinary and usual course of business of the Far East Group, and the

FE-CSCECL Sub-construction Engagement Agreement (together with the CSCECL Works Cap) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement (together with the CSCECL Works Cap) are fair and reasonable and in the interests of Far East and the shareholders of Far East as a whole.

Reference is made to the announcement dated 20 September 2011 and the circular dated 7 October 2011 (both issued by CSC) in relation to, among others, the CSCECL Sub-construction Engagement Agreement entered into between CSC and CSCECL, whereby the CSCECL Group (excluding COHL Group) may engage the CSC Group as construction sub-contractor, project management contractor, project consultant and/or construction material supplier for the construction works of the CSCECL Group (excluding COHL Group) upon successful tender for a term of three years commencing from 1 November 2011 and ending on 31 October 2014. For clarification purposes, any engagement of the Far East Group pursuant to the FE-CSCECL Sub-construction Engagement Agreement will not be subject to the provisions of the CSCECL Sub-construction Engagement Agreement. The maximum total contract sums that may be awarded under the CSCECL Sub-construction Engagement Agreement for each year/period are separate and distinct from the CSCECL Works Cap.

Reference is also made to the announcement dated 20 September 2011 and the circular dated 7 October 2011 (both issued by CSC) in relation to, among others, the COHL Construction Engagement Agreement entered into between CSC and COHL, whereby the COHL Group may engage the CSC Group as contractor (on the basis of "Build-Transfer" mode) for the COHL Group's construction of housing and infrastructure in relation to urban-rural coordination projects in the PRC upon successful tender for a term of three years commencing from 1 November 2011 and ending on 31 October 2014. For clarification purposes, any engagement of the Far East Group pursuant to the FE-CSCECL Sub-construction Engagement Agreement will not be subject to the provisions of the COHL Construction Engagement Agreement. The maximum total contract sums that may be awarded under the COHL Construction Engagement Agreement for each year/period are separate and distinct from the CSCECL Works Cap.

## **GENERAL**

CSCECL is the intermediate holding company of CSC, of which Far East is a non-wholly owned subsidiary. Accordingly, members of the CSCECL Group are connected persons of Far East. The transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement between members of the CSCECL Group on the one hand and members of the Far East Group on the other hand, constitute continuing connected transactions for Far East under Chapter 14A of the Listing Rules.

Far East is a non-wholly owned subsidiary of CSC, which is indirectly interested in approximately 74.1% of the issued share capital of Far East. Accordingly, the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement between members of the CSCECL Group and members of Far East Group constitute continuing connected transactions for CSC under Chapter 14A of the Listing Rules.

For CSC, since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the maximum total contract sum that may be awarded for each year/period under the FE-CSCECL Sub-construction Engagement Agreement (i.e. the CSCECL Works Cap) is less than 5%, the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement are subject only to the annual review, reporting and announcement requirements, and are exempt from independent shareholders' approval requirement. No director of CSC has a material interest in the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement.

For Far East, since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the maximum total contract sum that may be awarded for each year/period under the FE-CSCECL Sub-construction Engagement Agreement (i.e. the CSCECL Works Cap) exceed 5%, the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement are subject to the annual review, reporting, announcement and independent shareholders' approval requirements. Voting at the Far East EGM will be conducted by poll and CSCECL and its associates will abstain from voting at the Far East EGM.

An independent board committee of Far East comprising all the independent non-executive directors of Far East has been formed to advise the Far East's Independent Shareholders in respect of the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement. An independent financial adviser will be appointed to advise the independent board committee of Far East and the Far East's Independent Shareholders in this connection.

A circular containing, among other things, further particulars of the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement together with, the recommendations of the independent board committee of Far East, a letter from the independent financial adviser to the independent board committee of Far East and the Far East's Independent Shareholders, and a notice convening the Far East EGM is expected to be despatched to the shareholders of Far East on or before 3 July 2012 in accordance with the Listing Rules. If there is expected to be delay in despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular.

## DEFINITIONS

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

“associate(s)”, “connected person(s)”, “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of a company;
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, is a wholly owned subsidiary of CSCECL;
“COHL Construction Engagement Agreement”	the engagement agreement entered into between CSC and COHL on 20 September 2011 in respect of the engagement of the CSC Group as contractor (on the basis of “Build-Transfer” mode) for the COHL Group's construction of housing and infrastructure in relation to urban-rural coordination projects in the PRC; details of which are mentioned in the announcement dated 20 September 2011 issued by CSC regarding continuing connected transactions with COHL;
“COHL Group”	COHL and its subsidiaries (excluding CSC Group) from time to time;

“COLI”	China Overseas Land & Investment Ltd., a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 688);
“COLI Group”	COLI and its subsidiaries from time to time;
“CSC”	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 3311), is a non-wholly owned subsidiary of CSCECL;
“CSC Group”	CSC and its subsidiaries from time to time;
“CSCECL”	中國建築股份有限公司 (China State Construction Engineering Corporation Limited), a joint stock company incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 601668), is a non-wholly owned subsidiary of 中國建築工程總公司 (China State Construction Engineering Corporation);
“CSCECL Group”	CSCECL and its subsidiaries (excluding CSC Group and COLI Group) from time to time;
“CSCECL Sub-construction Engagement Agreement”	the engagement agreement entered into between CSC and CSCECL on 20 September 2011 in respect of the engagement by the CSCECL Group (excluding COHL Group) of the CSC Group as construction sub-contractor, project management contractor, project consultant and/or construction material supplier for the construction works of the CSCECL Group (excluding COHL Group); details of which are mentioned in the announcement dated 20 September 2011 issued by CSC regarding continuing connected transactions with CSCECL;



“CSCECL Works Cap”	the maximum total contract sum of the contracts for provision of Exterior Facade Works that may be awarded by the CSCECL Group to the Far East Group (as subcontractor of the CSCECL Group) for each year/period under the FE-CSCECL Sub-construction Engagement Agreement;
“Exterior Facade Works”	contracting service, supply, project consultancy service and project management service in relation to exterior facade works;
“Far East”	Far East Global Group Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 830), is a non-wholly owned subsidiary of CSC;
“Far East EGM”	the extraordinary general meeting of Far East to be held to consider and approve, among other things, the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated thereunder;
“Far East Group”	Far East and its subsidiaries from time to time;
“Far East’s Independent Shareholders”	shareholder(s) of Far East, other than CSCECL and its associates;
“FE-CSCECL Sub-construction Engagement Agreement”	the engagement agreement entered into between CSCECL and Far East on 11 June 2012 in respect of the engagement of members of the Far East Group by members of the CSCECL Group as subcontractor of the CSCECL Group for provision of Exterior Facade Works to the CSCECL Group’s construction works from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macao Special Administrative Region of the PRC;

“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan;
“Shareholder(s)”	shareholder(s) of a company from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent..

By Order of the Board  
**China State Construction International  
Holdings Limited**  
**Kong Qingping**  
*Chairman and Non-executive Director*

By Order of the Board  
**Far East Global Group Limited**  
**Zhou Yong**  
*Chairman and Non-executive Director*

Hong Kong, 11 June 2012

*As at the date of this announcement, the Board of CSC comprises Mr. Kong Qingping as Chairman and Non-executive Director; Mr. Zhou Yong (Vice-chairman and Chief Executive Officer), Mr. Zhang Yifeng, Mr. Zhou Hancheng, Mr. Tian Shuchen and Mr. Hung Cheung Shew as Executive Directors; Dr. Cheong Chit Sun and Mr. Li Jian as Non-executive Directors; and Dr. Raymond Ho Chung Tai, Mr. Adrian David Li Man Kiu, Dr. Raymond Leung Hai Ming and Mr. Lee Shing See as Independent Non-executive Directors.*

*As at the date of this announcement, the Board of Far East comprises Mr. Zhou Yong as Chairman and Non-executive Director; Dr. Cheong Chit Sun (Vice-chairman and Chief Executive Officer), Mr. Ko Chuk Kin, Herbert and Mr. Chan Sim Wang as Executive Directors; Mr. Huang Brad and Mr. Hung Cheung Shew as Non-executive Directors; and Mr. Zhou Jinsong, Mr. Yen Homer Shih Hung and Mr. Hong Winn as Independent Non-executive Directors.*