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中國建築興業集團有限公司

CHINA STATE CONSTRUCTION DEVELOPMENT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 830)

CONNECTED TRANSACTION

DISPOSAL OF 15% EQUITY INTEREST IN THE TARGET COMPANY

THE DISPOSAL

The Board is pleased to announce that on 31 December 2025, the Vendor, a wholly-owned subsidiary of the Company, the Purchaser and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Equity Interest (i.e. 15% equity interest in the Target Company) at the Consideration of RMB7,532,800 (equivalent to approximately HK\$8,331,277).

As at the date of this announcement, the Vendor holds 15% equity interest in the Target Company. Upon Completion, the Vendor and the Company will no longer hold, directly or indirectly, any equity interest in the Target Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CSCECL is an intermediate controlling shareholder of the Company by virtue of its being interested in approximately 70.79% of the issued share capital of the Company. Accordingly, the Purchaser, being a wholly-owned subsidiary of CSCECL, is a connected person of the Company and the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio in respect of the Disposal exceeds 0.1% but is less than 5%, the Disposal shall be subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE DISPOSAL

On 31 December 2025, the Vendor, a wholly-owned subsidiary of the Company, the Purchaser and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Equity Interest (i.e. 15% equity interest in the Target Company) at the Consideration of RMB7,532,800 (equivalent to approximately HK\$8,331,277).

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarised as follows:

- Date: 31 December 2025
- Parties:
- (i) the Vendor;
 - (ii) the Purchaser; and
 - (iii) the Target Company.

Subject Matter

The Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Equity Interest (i.e. 15% equity interest in the Target Company). Further details of the Target Company are set out in the section headed “INFORMATION OF THE TARGET COMPANY” below.

Consideration

The Consideration of RMB7,532,800 (equivalent to approximately HK\$8,331,277) shall be payable in full by the Purchaser to the Vendor within twenty (20) business days after the date on which all the conditions precedent are fulfilled.

Conditions precedent

Completion is conditional upon the fulfillment and satisfaction of the following:

- (a) the Vendor having obtained all necessary authorisations, consents and approvals (including all necessary internally required approvals) to complete the transactions contemplated under the Equity Transfer Agreement;
- (b) the Vendor and the Company having complied with all applicable requirements under the Listing Rules;

- (c) the Purchaser having obtained all necessary authorisations, consents and approvals (including all necessary internally required approvals) to complete the transactions contemplated under the Equity Transfer Agreement; and
- (d) the representations and warranties in the Equity Transfer Agreement remaining true and accurate and not misleading in all material respects.

All the conditions above are not waivable. If any of the conditions precedent is not fulfilled and satisfied by 31 March 2026 (or such later date as may be agreed between the parties), the Equity Transfer Agreement shall terminate and the responsibilities and obligations of the parties under the Equity Transfer Agreement shall cease.

Completion

The Vendor shall, within fifteen (15) business days after the Purchaser has fully paid the Consideration, provide the Purchaser with all necessary documentation and information for the registration of the equity transfer of the Target Company. The Purchaser shall, within fifteen (15) business days upon receipt of such documentation and information, submit an application to the Market Supervision and Administration Authority for the registration of the equity transfer. Completion shall take place on completion of the equity transfer registration.

BASIS FOR DETERMINATION OF THE CONSIDERATION

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms after taking into account a number of factors, including:

- (a) the audited net assets value of the Target Company of approximately RMB51,529,300 (equivalent to approximately HK\$56,991,406) as at 31 December 2024;
- (b) the appraised value of the net assets of 100% equity interests of the Target Company as at 31 December 2024 (the “**Valuation Benchmark Date**”) in the amount of RMB50,218,400 (equivalent to approximately HK\$55,541,550) as set out in the asset valuation report (the “**Valuation Report**”) prepared by 北京中天華資產評估有限責任公司 (China Appraisal Associates Co., Ltd.*), an independent and qualified valuer (the “**Valuer**”); and
- (c) the benefits of the Disposal as set out in the section headed “REASONS FOR AND BENEFITS OF THE DISPOSAL” below.

Valuation methods adopted by the Valuer and its reasons

The Valuer adopted the asset-based approach to determine the value of 100% equity interests of the Target Company as at the Valuation Benchmark Date. As the Target Company is not a listed company and comparable transaction cases are relatively limited and therefore, the market approach is not applicable to this valuation. The asset-based approach relies on the balance sheet of the Target Company and indirectly assesses the fair market value of its assets from the asset replacement perspective. The income approach, on the other hand, evaluates the assets based on their expected earning capacity, with key parameters being projected future earnings and the discount rate. In forecasting future indicators, comprehensive consideration is given to factors such as domestic macroeconomic conditions, industry trends, the Target Company's development plans and operational capabilities, thereby reflecting the prospective growth of both the Target Company itself and the industry in which it operates. After considering that the Target Company is a small-sized asset-heavy company with persistent low earnings, the valuation result derived from the asset-based approach is deemed more appropriate to reflect the true value of the Target Company. Accordingly, the asset-based approach is adopted as the final conclusion of the valuation.

Valuation Assumptions

The valuation assumptions made by the Valuer are as follows:

(I) Basic Assumptions

1. Open market assumption: It is assumed that the asset being valued or intended to be traded is transacted in an open market, where both the buyer and seller are in an equal position, and each party has sufficient opportunity and time to obtain adequate market information. This enables both parties to make rational judgments regarding the asset's functions, uses, and transaction price.
2. Transaction assumption: It is assumed that the asset under valuation is already in the process of being transacted. The Valuer estimates the value by simulating market conditions based on the transaction terms of the subject asset. The transaction assumption is the most fundamental prerequisite for conducting an asset valuation.
3. Going concern assumption: It is assumed that the Target Company will continue its operations lawfully and indefinitely into the foreseeable future based on its existing assets and resources, without ceasing operations for any reason.

(II) General Assumptions

1. There will be no material changes in the current PRC national laws, regulations, policies, or macroeconomic conditions, and no material changes in the political, economic, or social environment of the regions in which the parties to the Equity Transfer Agreement are located.

2. The Target Company will continue as a going concern based on the actual condition of its assets as at the Valuation Benchmark Date.
3. There will be no material changes after the Valuation Benchmark Date in interest rates, exchange rates, tax bases and rates, or policy-imposed levies relevant to the Target Company.
4. The management team of the Target Company after the Valuation Benchmark Date will remain responsible, stable, and competent in fulfilling their duties.
5. Unless otherwise stated, it is assumed that the Target Company fully complies with all relevant laws and regulations.
6. The Target Company will generate cash flows evenly throughout the year after the Valuation Benchmark Date.
7. There will be no force majeure or unforeseeable events after the Valuation Benchmark Date that would materially and adversely affect the Target Company.

(III) Special Assumptions

1. The accounting policies adopted by the Target Company after the Valuation Benchmark Date will remain materially consistent with those applied in the preparation of the Valuation Report.
2. The scope and manner of business operations of the Target Company after the Valuation Benchmark Date will remain consistent with the current management approach and level.
3. Assumption of truthfulness, accuracy, legality, and completeness of information: It is assumed that the financial data, asset lists, and other relevant information provided by the Target Company in connection with the asset valuation are true, accurate, lawful, and complete.
4. The estimates in the Valuation Report are made on the premise that all material and potential factors that may affect the value analysis have been fully disclosed between the Valuer and the Target Company.

Valuation conclusion

As at the Valuation Benchmark Date, the book value of total assets of the Target Company was RMB68,238,200 and the appraised value was RMB66,927,300, with a decrease of RMB1,310,900, representing a decrease of 1.92%. The book value of total liabilities was RMB16,708,900 and the appraised value was RMB16,708,900. The book value of net assets was RMB51,529,300, and the appraised value was RMB50,218,400, with a decrease of RMB1,310,900, representing a decrease of 2.54%. The appraised value of total assets and net assets of the Target Company recorded a decrease of RMB1,310,900 as compared with the book value mainly due to the fact that the market price of the inventory sales was lower than their book value.

INFORMATION OF THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC on 10 December 2020 with its equity interests being held as to 70% by the Purchaser, 15% by the Vendor and 15% by CSCSZ. The business scope of the Target Company principally covers development, production, sale and investment in building decoration materials, thermal insulation materials and materials such as anchoring parts, metal hardware, sealant, etc. and system products.

According to the audited accounts of the Target Company, the net profit (before and after taxation) of the Target Company and net profit (before and after taxation) attributable to the Equity Interest which is the subject of the Disposal for the two financial years ended 31 December 2023 and 2024 are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
	<i>Approximately RMB</i>	<i>Approximately RMB</i>
	(Audited)	(Audited)
<i>Target Company</i>		
Net profit before taxation	389,400	373,788
Net profit after taxation	209,842	409,304
<i>Attributable to the Equity Interest which is the subject of the Disposal</i>		
Net profit before taxation	58,410	56,068
Net profit after taxation	31,476	61,396

FINANCIAL IMPACTS ON THE GROUP AND USE OF PROCEEDS

As at 30 November 2025, the net asset value of the Target Company attributable to the Group is approximately RMB7,350,000 (equivalent to approximately HK\$8,129,100). Subject to review and confirmation by the auditor, the Group is expected to record a gain of approximately RMB182,800 (equivalent to approximately HK\$202,177) from the Disposal, which is calculated based on the consideration of RMB7,532,800 (equivalent to approximately HK\$8,331,277) to be received by the Group for the Disposal less the net asset value of the Target Company attributable to the Group as at 30 November 2025 after related tax and any related expenses.

Shareholders should note that the actual amount of gain or loss on the Disposal to be recognised in the consolidated financial statements of the Group depends on the net assets/liabilities of the Disposal and the incidental transaction costs upon completion of the Disposal. Therefore, the actual amount of the gain or loss on the Disposal will be subject to audit and may be different from the amount mentioned above.

As at the date of this announcement, the Vendor holds 15% equity interest in the Target Company. Upon Completion, the Vendor and the Company will no longer, directly or indirectly, hold any equity interest in the Target Company.

The Company intends to use the net proceeds from the Disposal as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors consider that the Disposal represents a timely and strategic opportunity for the Group to fully exit its non-controlling equity interest in the Target Company, an investment in which the Company has no control or significant influence over operational and strategic decisions. The Disposal enables the Group to further streamline and optimises its business portfolio by disposing of the non-core asset, thereby releasing resources for redeployment into areas offering higher returns and closer strategic alignment. Continuing to hold a minority stake would require ongoing monitoring and potential future capital commitments without commensurate influence or upside potential relative to the Group's core competencies.

More importantly, the full divestment of the Equity Interest enables the Group to sharpen its strategic focus and concentrate financial and management resources on its two core pillars of growth – (i) the high-end facade contracting business, where the Group possesses leading technical capabilities, an established reputation, and strong order book visibility; and (ii) the building integrated photovoltaics (BIPV) business, a strategic priority aligned with global decarbonisation trends and national dual-carbon goals.

By focusing on the said core businesses, the Group will be better positioned to pursue business breakthroughs, secure landmark projects, expand market share, and deliver sustainable value creation for Shareholders over the long term.

Having taken into account the above factors, the Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement and the Disposal are on normal commercial terms and are fair and reasonable, and the entering into of the Equity Transfer Agreement is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE VENDOR AND THE PURCHASER

The Vendor is a wholly-owned subsidiary of the Company and is principally engaged in design, manufacture and installation of curtain walls, aluminium windows and other related products in the PRC.

The Group is principally engaged in general contracting business, facade contracting business (including design, engineering, manufacture and installation of curtain wall system) and operating management business.

The Purchaser is a wholly-owned subsidiary of CSCECL and is principally engaged in architecture design and engineering consultancy services in the PRC.

CSCECL is a contractor which is principally engaged in construction works in various cities in the PRC and various countries around the world.

CSCEC is the ultimate holding company of each of the Purchaser, the Vendor, the Target Company and the Company. CSCEC, together with its subsidiaries (excluding those listed on any stock exchange), is a conglomerate principally engaged in building construction, international contracting, real estate development and investment, infrastructure construction and investment and design and prospecting.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CSCECL is an intermediate controlling shareholder of the Company by virtue of its being interested in approximately 70.79% of the issued share capital of the Company. Accordingly, the Purchaser, being a wholly-owned subsidiary of CSCECL, is a connected person of the Company and the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio in respect of the Disposal exceeds 0.1% but is less than 5%, the Disposal shall be subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Disposal nor is required to abstain from voting on the Board resolutions approving the Disposal.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	China State Construction Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange (stock code: 830)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Equity Transfer Agreement
“connected person”, “connected transaction”, “controlling shareholder”, “holding company”, “percentage ratio(s)”, “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the disposal of the Equity Interest in the Target Company payable by the Purchaser pursuant to the Equity Transfer Agreement
“CSCEC”	中國建築集團有限公司 (China State Construction Engineering Corporation*), a limited liability corporation organised and existing under the laws of the PRC, and the ultimate holding company of each of CSCECL, the Company, the Vendor, the Purchaser and the Target Company
“CSCECL”	中國建築股份有限公司 (China State Construction Engineering Corporation Limited), a joint stock company established in the PRC and whose shares are listed on the Shanghai Stock Exchange (stock code: 601668), is a non-wholly owned subsidiary of CSCEC
“CSCSZ”	中建深圳裝飾有限公司 (China Construction Shenzhen Decoration Company Limited*), a limited liability company established in the PRC and a wholly-owned subsidiary of CSCECL

“Disposal”	the disposal of the Equity Interest by the Vendor to the Purchaser as contemplated under the Equity Transfer Agreement
“Equity Interest”	15% of the entire equity interest in the Target Company
“Equity Transfer Agreement”	the equity transfer agreement, dated 31 December 2025 entered into among the Purchaser, the Vendor and the Target Company in relation to the Disposal
“Group”	the Company and its subsidiaries 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
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Purchaser”	中國建築西南設計研究院有限公司 (China Southwest Architectural Design and Research Institute Corp. Limited*), a limited liability company established in the PRC and a wholly-owned subsidiary of CSCECL
“RMB”	Renminbi, lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	中建西南院牆材科技有限公司 (China Southwest Architectural Design and Research Institute Wall Material Technology Company Limited*), a limited liability company established in the PRC

“Vendor”

遠東力進幕牆(上海)有限公司 (Far East Netfortune Facade (Shanghai) Company Limited*), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company

“%”

per cent

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1: HK\$1.106. No representation is made that any amounts in RMB have been or could be converted at the above rates or at any other rates.

By Order of the Board
China State Construction Development Holdings Limited
Wang Xiaoguang
Chairman and Non-executive Director

Hong Kong, 31 December 2025

As at the date of this announcement, the Board comprises Mr. Wang Xiaoguang as Chairman and Non-executive Director; Mr. Zhu Haiming (Chief Executive Officer) and Mr. Wong Man Cheung as Executive Directors; Mr. Huang Jiang as Non-executive Director; and Mr. Zhou Jinsong, Ms. Chan Man Ki Maggie and Mr. Sit Wing Hang as Independent Non-executive Directors.

* for identification purpose only