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中國建築國際集團有限公司
CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3311)

**CONTINUING CONNECTED TRANSACTIONS
WITH CHINA OVERSEAS LAND & INVESTMENT LIMITED
IN RELATION TO SUPPLY OF MATERIALS**

The Board is pleased to announce that on 28 April 2021, the Company and COLI entered into the Framework Agreement whereby (i) the COLI Group may supply the Materials for the Projects upon the Group's request in accordance with the tendering procedures of the Group from time to time for a term of three years commencing from 1 July 2021 and ending on 30 June 2024 (both dates inclusive) subject to the Caps; and (ii) the Group may engage the COLI Group as supplier of the Materials for the Projects upon the COLI Group's successful tender.

As at the date of this announcement, CSCEC is the ultimate holding company of COHL which, in turn, is the controlling shareholder of both the Company and COLI by virtue of it being interested in approximately 64.79% of the issued share capital of the Company and approximately 56.05% of the issued share capital of COLI. Accordingly, members of the COLI Group are connected persons of the Group and the transactions contemplated under the Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since all the applicable percentage ratios as defined under the Listing Rules calculated for the Company in respect of the highest Cap are more than 0.1% but less than 5%, the transactions contemplated under the Framework Agreement are subject to the reporting, announcement and annual review requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

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THE FRAMEWORK AGREEMENT

Date

28 April 2021

Parties

1. The Company; and
2. COLI.

Subject matter

It is contemplated that the Group will invite the COLI Group to tender for the supply of Materials for the Projects from time to time. In this connection, on 28 April 2021, the Company and COLI entered into the Framework Agreement for a term of three years commencing from 1 July 2021 and ending on 30 June 2024 (both dates inclusive) whereby the parties agreed, among other things, that:

- (a) the COLI Group may tender for the supply of the Materials for the Projects as supplier of the Group in accordance with the tendering procedures of the Group from time to time and on the same and normal terms as offered to other independent third party suppliers;
- (b) if any contract is granted in favour of the COLI Group as a result of the above tender, the COLI Group may act as supplier of the Materials for the Projects based on the terms of the successful tender provided that the maximum total contract sums in respect of the supply of the Materials for the Projects that may be awarded by the Group to the COLI Group shall not exceed RMB150 million (approximately HK\$176 million) for the period between 1 July 2021 and 31 December 2021, RMB360 million (approximately HK\$424 million) for the year ending 31 December 2022, RMB430 million (approximately HK\$506 million) for the year ending 31 December 2023, and RMB260 million (approximately HK\$306 million) for the period between 1 January 2024 and 30 June 2024 (i.e. the Caps);

- (c) the amounts in respect of the supply of the Materials for the Projects payable by the Group to the COLI Group will be settled pursuant to the payment terms set out in the tender documents for the relevant contracts for the supply of such Materials.

Calculation of the Caps

The Caps are calculated with reference to the following factors:

- (a) the total contract sum for the procurement of the Materials by the Group in connection with the Projects for the financial year ended 31 December 2018 of approximately RMB1,820 million (approximately HK\$2,141 million), for the financial year ended 31 December 2019 of approximately RMB3,650 million (approximately HK\$4,294 million), for the financial year ended 31 December 2020 of approximately RMB2,920 million (approximately HK\$3,435 million), and for the period from 1 January 2021 to 31 March 2021 of approximately RMB545 million (approximately HK\$641 million);
- (b) the estimated total contract sum of not less than RMB9,600 million (approximately HK\$11,294 million) for the procurement of the Materials potentially required by the Group in connection with the Projects for the period between 1 July 2021 and 31 December 2021, for the year ending 31 December 2022, for the year ending 31 December 2023, and for the period between 1 January 2024 and 30 June 2024, with reference to the Projects in hand and potential new Projects that the Group may acquire during the periods;
- (c) the estimated total contract sum of not exceeding RMB1,200 million (approximately HK\$1,412 million) for the Group's procurement of the Materials for the Projects for which the Group will invite the COLI Group to participate in competitive tenders from time to time for the period between 1 July 2021 and 31 December 2021, for the year ending 31 December 2022, for the year ending 31 December 2023, and for the period between 1 January 2024 and 30 June 2024, taking into account of the numbers and size of the potential new Projects; and
- (d) the prevailing market prices and expected annual inflation of 4% of the Materials in the years 2021 to 2024.

The contract sums under the Framework Agreement will be satisfied by the Group in cash from its general working capital.

Pricing Basis

As a general principle, the prices and terms of the contracts shall be determined in the ordinary course of business, on normal commercial terms, negotiated on an arm's length basis and at prices and on terms no more favourable than those awarded to the independent third party suppliers of the Group.

The Group will normally invite suppliers to participate in competitive tenders for the Projects as supplier in accordance with its tendering procedures.

In conducting the Group's invitations to tender, review of tenders and tender selection, the participation of the members of the COLI Group in the tender process shall not in any way affect the Group's tendering procedures, contract terms and selection principles. Members of the COLI Group shall be treated in the same way as independent third parties.

The prices and terms of the tenders awarded by members of the Group to members of the COLI Group for the supply of the Materials for the Projects are subject to the standard and systematic tender procedures maintained by the Group, which apply to tenders submitted by both connected persons and independent third parties to ensure that the price and terms of the tender awarded by the Group to the COLI Group are no more favourable than those awarded to independent third parties.

Tendering Procedures for Supply of Materials in the PRC

Below set out the Group's tendering procedure for selecting and appointing a supplier of the Materials to the Group in the PRC (which is governed by the applicable PRC laws, regulations and local policies for supply of Materials in the PRC):

1. Formulation of list of approved suppliers of the Materials: The Group will establish its own list of approved suppliers of the Materials in the PRC (the "List of Approved Suppliers"). The suppliers will be subject to evaluation and review of their qualifications including but not limited to the suppliers' scale, financial ability, technical capability and track record of supplying the Materials in the PRC. Suitable suppliers will be included in the List of Approved Suppliers after the above vetting process.
2. Drawing up of Invitation to Tender documents: The relevant PRC subsidiary of the Group is responsible for drawing up specifications and requirements for the invitation to tender (the "Invitation to Tender"), based on a typical Invitation to Tender template and the specific requirements for the Project.
3. Issue of tender: The Invitation to Tender is required to be sent to no less than three selected suppliers from the List of Approved Suppliers for a tender.
4. Preparation of tender: Bidders will prepare the tender documents in accordance with the timetable stipulated in the Invitation to Tender, taking into account the specifications and requirements as set out in the Invitation to Tender, and physical due diligence of the Group's construction site.

5. Tender submission: The tender documents submitted by the bidders are required to contain information on the proposed pricing, proposal and plan for the relevant supply of Materials, and other corporate information as specified in the Invitation to Tender.
6. Tender evaluation: The tender evaluation process and the composition of the tender evaluation committee of the Group (the “Tender Evaluation Committee”) will comply with the relevant requirements under the applicable PRC laws and regulations.
7. Award: The Tender Evaluation Committee will evaluate the tenders based on the specifications and requirements of the Invitation to Tender. The winning bid will usually be the one with the Materials conforming to the technical requirements with a reasonable and minimum price offered. The relevant letter of award will be issued once the final decision is made in the meeting of the Tender Evaluation Committee based on the final tender amount.
8. Contract signing: The contract of the relevant supply of Materials so awarded is expected to be signed within 30 days of the award.

The above tendering procedures and the steps involved may be simplified and streamlined depending on the size of the Project and the expected contract amount involved.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE FRAMEWORK AGREEMENT

The COLI Group, being one of the largest property developers in the PRC, usually purchases the Materials in bulk quantities. The entering into of the Framework Agreement provides the Group with a more diverse base of suppliers for the provision and supply of Materials to the Group, and if upon successful tender awarded to the COLI Group, allows the Group to enjoy a greater volume discount which is applied to the COLI Group’s bulk purchase.

The directors of the Company (including the independent non-executive directors of the Company) consider that the transactions contemplated under the Framework Agreement are expected to be entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm’s length negotiations between the parties, the Framework Agreement (together with the Caps) 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 Framework Agreement (together with the Caps) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL

The Group is principally engaged in construction business, infrastructure investments and prefabricated constructions.

The COLI Group is principally engaged in property development and investment, and other operations.

CSCECL is the holding company of COHL which, in turn, is the controlling shareholder of both the Company and COLI. 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 CSCECL, COHL, the Company and COLI. 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, CSCEC is the ultimate holding company of COHL which, in turn, is the controlling shareholder of both the Company and COLI by virtue of it being interested in approximately 64.79% of the issued share capital of the Company and approximately 56.05% of the issued share capital of COLI. Accordingly, members of the COLI Group are connected persons of the Group and the transactions contemplated under the Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since all the applicable percentage ratios as defined under the Listing Rules calculated for the Company in respect of the highest Cap are more than 0.1% but less than 5%, the transactions contemplated under the Framework Agreement are subject to the reporting, announcement and annual review requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the directors of the Company has any material interest in the Framework Agreement and the transactions contemplated thereunder and no director is required to abstain from voting on the Board resolution(s) approving the entering into of the Framework Agreement (together with the Caps) and the transactions contemplated thereunder. Mr. Yan Jianguo, being the chairman and non-executive director of the Company, the chairman and executive director of COLI and the chairman and president of COHL, was absent from the relevant Board meeting and did not vote on the Board resolution(s) approving the entering into of the Framework Agreement (together with the Caps) and the transactions contemplated thereunder. Mr. Zhang

Haipeng, being an executive director of the Company and a director of COHL, has voluntarily abstained from voting on the Board resolution(s) approving the entering into of the Framework Agreement (together with the Caps) and the transactions contemplated thereunder.

Shareholders of the Company should note that the Caps represent the best estimates by the directors of the Company of the amount of the relevant transaction based on the information currently available. The Caps bear no direct relationships to, nor should be taken to have any direct bearings to, the Group's financial or potential financial performance. The Group may or may not retain the COLI Group to supply the Materials for the Projects up to the level of the Caps, if at all, as the supplies are subject to tendering procedures which are open to other independent third party suppliers.

DEFINITIONS

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

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| “associate(s)”, “connected person(s)”, “controlling shareholder(s)”, “percentage ratios” and “subsidiary(ies)” | each has the meaning ascribed to it under the Listing Rules; |
| “Board” | the board of directors of the Company; |
| “Cap(s)” | the maximum total contract sum that may be awarded by the Group to the COLI Group for the supply of Materials for the Projects by the COLI Group to the Group for each period or year under the Framework Agreement; |
| “COHL” | China Overseas Holdings Limited (中國海外集團有限公司), a company incorporated in Hong Kong with limited liability, being a wholly owned subsidiary of CSCECL and the controlling shareholder of both the Company and COLI; |
| “COLI” | China Overseas Land & Investment Limited (中國海外發展有限公司), 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); |

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| “COLI Group” | COLI and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange and their respective subsidiaries, if any) from time to time; |
| “Company” | China State Construction International Holdings Limited (中國建築國際集團有限公司), 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); |
| “CSCEC” | 中國建築集團有限公司 (China State Construction Engineering Corporation*), a state-owned corporation organised and existing under the laws of the PRC, being the ultimate holding company of each of CSCECL, COHL, the Company and COLI; |
| “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 whose shares are listed on the Shanghai Stock Exchange (stock code: 601668), is a non-wholly owned subsidiary of CSCEC and holding company of COHL; |
| “Framework Agreement” | the framework agreement entered into between the Company and COLI on 28 April 2021 in respect of the supply of Materials for the Projects by the COLI Group to the Group from time to time for a term of three years commencing from 1 July 2021 and ending on 30 June 2024 (both dates inclusive); |
| “Group” | the Company and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange and their respective subsidiary(ies), if any) 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; |

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| “Macau” | the Macau Special Administrative Region of the PRC; |
| “Materials” | civil-works, electromechanical and renovation items, goods or materials; |
| “PRC” | People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan; |
| “Project(s)” | construction project(s) of the Group in the PRC; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; and |
| “%” | per cent. |

Unless otherwise specified in this announcement, amounts denominated in Renminbi have been converted, for the purpose of illustration only, into Hong Kong dollars at the rate of RMB0.85 = HK\$1.00. The exchange rate does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.

** The English name of the PRC entity referred to in this announcement is translation from its Chinese name and is for identification purpose only. If there is any inconsistency, the Chinese name shall prevail.*

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

Hong Kong, 28 April 2021

As at the date of this announcement, the Board comprises Mr. Yan Jianguo as Chairman and Non-executive Director; Mr. Zhang Haipeng (Chief Executive Officer), Mr. Tian Shuchen, Mr. Zhou Hancheng and Mr. Hung Cheung Shew as Executive Directors; and Mr. Adrian David Li Man Kiu, Dr. Raymond Leung Hai Ming and Mr. Lee Shing See as Independent Non-executive Directors.