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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)**

**CONNECTED TRANSACTION  
FORMATION OF JOINT VENTURE WITH  
中建三局集團有限公司**

**(CHINA CONSTRUCTION THIRD ENGINEERING BUREAU GROUP CO., LTD.)**

On 27 October 2015, CSCIICL (a wholly-owned subsidiary of the Company) and CCTEB entered into the JV Agreement, pursuant to which the parties agreed to establish the Wuhan JV on a 50:50 basis for carrying out financing and investing of the Infrastructure Projects in Wuhan, Hubei Province, the PRC.

CCTEB is a subsidiary of CSCECL, the intermediate holding company of the Company. Accordingly, CCTEB is a connected person of the Company and the Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined in Rule 14A.06 of the Listing Rules calculated with reference to the Transaction exceed 0.1% but are less than 5%, the Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**INTRODUCTION**

On 27 October 2015, CSCIICL (a wholly-owned subsidiary of the Company) and CCTEB entered into the JV Agreement, pursuant to which the parties agreed to establish the Wuhan JV on an 50:50 basis for carrying out financing and investing of the Infrastructure Projects (i.e. engineering works relating to the construction of roads, bridges, tunnels and urban infrastructure; water conservation, environmental and public utilities; urban landscaping and greening works; reconstruction of squatter settlement, affordable housing, urbanisation and construction of facilities; consultancy services) in Wuhan, Hubei Province, the PRC.

## **JV AGREEMENT**

### **Date**

27 October 2015

### **Parties**

- (1) CSCICL, a wholly-owned subsidiary of the Company
- (2) CCTEB, a subsidiary of CSCECL, the intermediate holding company of the Company

### **Subject Matter**

CSCICL and CCTEB shall establish the Wuhan JV for carrying out financing and investing of the Infrastructure Projects in Wuhan, Hubei Province, the PRC. CSCICL and CCTEB shall hold 50% and 50% equity interests in the Wuhan JV respectively. Upon establishment, the Wuhan JV will be accounted for as a joint venture of the Group.

### **Registered Capital**

The Wuhan JV shall have a registered capital of RMB500,000,000 (equivalent to approximately HK\$609,756,098), which shall be contributed by each of CSCICL and CCTEB as to RMB250,000,000 (equivalent to approximately HK\$304,878,049). The registered capital shall be contributed by CSCICL and CCTEB in cash into Wuhan JV within six months from the date of issue of the business license of the Wuhan JV. The payment to be made by CSCICL will be funded by the internal resources of the Group.

The amount of the registered capital of the Wuhan JV is determined after arm's length negotiations between the parties with reference to the proposed capital requirements of the Infrastructure Projects in Wuhan, Hubei Province, the PRC.

### **Profit/loss sharing**

The profit/loss in respect of the Wuhan JV shall be shared by CSCIICL and CCTEB in proportion to their respective equity interests in the Wuhan JV.

No party shall transfer or assign all or any part of its equity interests in the Wuhan JV without written consent from the other party and approval from the relevant authority.

### **Future Funding**

Any additional funding requirements (other than the registered capital) of the Wuhan JV shall be arranged by the Wuhan JV.

### **Management**

The board of directors of the Wuhan JV shall comprise five directors, of which three directors shall be appointed by CSCIICL and two directors shall be appointed by CCTEB. The chairman of the board shall be a director appointed by CSCIICL, who shall also be the legal representative of the Wuhan JV. Decisions of the board of directors of the Wuhan JV shall be resolved by all the directors unanimously.

The Wuhan JV shall have three supervisors, of which one shall be appointed by CSCIICL, one shall be appointed by CCTEB and the remaining employee representative supervisor shall be elected through an employee representative congress of the Wuhan JV.

The general manager of the Wuhan JV shall be appointed by CCTEB and be responsible for the management of the normal operations of the Wuhan JV.

### **INFORMATION ABOUT THE WUHAN JV**

The Wuhan JV will be engaged for carrying out financing and investing of the Infrastructure Projects (i.e. engineering works relating to the construction of roads, bridges, tunnels and urban infrastructure; water conservation, environmental and public utilities; urban landscaping and greening works; reconstruction of squatter settlement, affordable housing, urbanisation and construction of facilities; consultancy services) in Wuhan, Hubei Province, the PRC. In particular, the Wuhan JV will focus on the construction of underground transport hubs (which comprises commercial premises, public walkways, car parks, E&M plant room, underground logistics centre and multi-purpose corridors), aboveground transportation works (which comprises construction of roads, drainage systems and greening works) and integrated design for utilities pipelines.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

CCTEB has substantial experience in construction markets. The Transaction provides the Company with the opportunity to participate in infrastructure construction projects in the PRC with CCTEB as joint venture partner. The Directors believe that such arrangement will benefit the Group by leveraging the substantial experience of CCTEB.

The Directors (including the independent non-executive Directors) consider that the Transaction is in the ordinary course of business, on normal commercial terms after arm's length negotiations between the parties, and the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the Transaction.

## **GENERAL**

CSCIICL is a wholly owned subsidiary of the Company. The Group is principally engaged in building construction, civil engineering works, infrastructure investment and project consultancy business.

CCTEB is a contractor based in PRC which is principally engaged in the undertaking of construction and engineering works in the PRC.

CCTEB is a subsidiary of CSCECL, the intermediate holding company of the Company. Accordingly, CCTEB is a connected person of the Company and the Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined in Rule 14A.06 of the Listing Rules calculated with reference to the Transaction exceed 0.1% but are less than 5%, the Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

- “CCTEB”                    中建三局集團有限公司 (China Construction Third Engineering Bureau Group Co., Ltd.), a limited liability company established in the PRC and a subsidiary of CSCECL;
- “Company”                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);
- “connected person(s)”, “subsidiaries”        each has the meaning ascribed to it in the Listing Rules;
- “CSCEC”                 中國建築工程總公司 (China State Construction Engineering Corporation), a state-owned corporation organised and existing under the laws of the PRC, being the ultimate holding company of the Company;
- “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 (the shares of which are listed on The Shanghai Stock Exchange), which is held as to more than 50% by CSCEC;
- “CSCIICL”                中建國際投資(中國)有限公司 (China State Construction International Investments (China) Limited), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company;
- “Directors”              the directors of the Company;
- “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;
“Infrastructure Projects”	engineering works relating to the construction of roads, bridges, tunnels and urban infrastructure; water conservation, environmental and public utilities; urban landscaping and greening works; reconstruction of squatter settlement, affordable housing, urbanisation and construction of facilities; consultancy services;
“JV Agreement”	the joint venture agreement between CCTEB and CSCIICL dated 27 October 2015 in relation to the formation of the Wuhan JV;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	the shareholders of the Company from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the entering into of the JV Agreement and the transactions contemplated thereunder;

“Wuhan JV” a joint venture company established as a limited liability company pursuant to the JV Agreement; 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 RMB0.82 = 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 names of the PRC entities referred to in this announcement are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail.*

**By Order of the Board**  
**China State Construction**  
**International Holdings Limited**  
**Zhou Yong**  
*Chairman and Chief Executive Director*

Hong Kong, 27 October 2015

*As at the date of this announcement, the Board comprises Mr. Zhou Yong (Chairman and Chief Executive Officer), Mr. Tian Shuchen, Mr. Zhou Hancheng, Mr. Pan Shujie, Mr. Hung Cheung Shew and Mr. Wu Mingqing as 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.*