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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 29 July 2016, CSCICL (a wholly-owned subsidiary of the Company) and CCTEB entered into the JV Agreement, pursuant to which the parties agreed to establish the Chengdu JV on a 50:50 basis to undertake the Infrastructure Works in Chengdu, Sichuan 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 JV Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules calculated with reference to the Group's financial commitment under the JV Agreement are greater than 0.1% but less than 5%, the JV Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under the Listing Rules.

INTRODUCTION

On 29 July 2016, CSCICL (a wholly-owned subsidiary of the Company) and CCTEB entered into the JV Agreement, pursuant to which the parties agreed to establish the Chengdu JV on a 50:50 basis to undertake the Infrastructure Works (i.e. engineering works relating to the construction of roads, tunnels, bridges, urban infrastructure, water conservation, environmental protection and urban landscaping ; urbanisation and construction of facilities; consultancy and management services) in Chengdu, Sichuan Province, the PRC.

THE JV AGREEMENT

Date

29 July 2016

Parties

- (i) CSCICL, a wholly-owned subsidiary of the Company; and
- (ii) CCTEB, a subsidiary of CSCECL, the intermediate holding company of the Company

Subject Matter

CSCICL and CCTEB shall establish the Chengdu JV to undertake the Infrastructure Works in Chengdu, Sichuan Province, the PRC. CSCICL and CCTEB shall each hold 50% equity interests in the Chengdu JV respectively. Upon establishment, the Chengdu JV will be accounted for as a joint venture of the Group.

Capital Commitment

The aggregate investment in the Chengdu JV shall be RMB600 million (equivalent to approximately HK\$703.4 million). The registered capital of the Chengdu JV shall be RMB200 million (equivalent to approximately HK\$234.5 million).

CSCICL and CCTEB will each pay RMB100 million (equivalent to approximately HK\$117.2 million) in cash into the Chengdu JV as its registered capital, which shall be paid in full before 31 December 2016.

The amounts of the aggregate investment and the registered capital of the Chengdu JV are determined after arm's length negotiations between the parties with reference to the proposed capital requirements of the Infrastructure Works in Chengdu, Sichuan Province, the PRC.

Profit/loss sharing

The profit/loss in respect of the Chengdu JV shall be shared by CSCICL and CCTEB in proportion to their respective equitable interests in the Chengdu JV.

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

Management

The board of directors of the Chengdu JV shall comprise three directors; two of whom shall be nominated by CSCIICL and one shall be nominated by CCTEB. The chairman of the board of directors of the Chengdu JV, who shall also be the legal representative of the Chengdu JV, shall be nominated by CCTEB, whereas the vice-chairman shall be nominated by CSCIICL. The board resolutions of the Chengdu JV shall be resolved unanimously by all the directors.

There shall be three supervisors; CSCIICL and CCTEB shall each nominate one supervisor, and the remaining supervisor shall be an employee representative supervisor elected through an employee representative congress of the Chengdu JV. The general manager and the finance manager of the Chengdu JV shall be recommended by CCTEB, whereas the chief financial officer and the vice-general manager shall be recommended by CSCIICL.

REASONS FOR AND BENEFITS OF THE JV TRANSACTION

The Group is principally engaged in building construction, civil engineering works, infrastructure investment and project consultancy business.

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

CCTEB has substantial experience in construction markets. The JV Transaction would provide the Group with the opportunity to participate in the Infrastructure Works in the PRC with CCTEB as a joint venture partner. The Board believes that such arrangement will bring synergy effect to the Group and is in line with the Company's strategy of developing infrastructure investment businesses in the PRC.

The Directors (including the Independent Non-executive Directors) consider that the JV Transaction is in the ordinary and usual course of business, on normal commercial terms after arm's length negotiations between the parties, and the terms of the JV Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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

Since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules calculated with reference to the Group's financial commitment under the JV Agreement are greater than 0.1% but less than 5%, the JV Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under the Listing Rules.

None of the Directors has a material interest in the JV Transaction and none of them has abstained from voting on the board resolution.

DEFINITIONS

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

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| “Board” | the board of directors of the Company; |
| “Chengdu JV” | 成都海悦建设有限公司 (Chengdu Hai Yue Construction Co., Ltd.), a joint venture company to be established in the PRC as a limited liability company pursuant to the JV Agreement; |
| “Company” | China State Construction International Holdings Limited (Stock Code: 3311), a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the main board of the Stock Exchange; |
| “connected person”, “subsidiary(ies)” | each has the meaning ascribed to it in the Listing Rules; |
| “CCTEB” | 中建三局集团有限公司 (China Construction Third Engineering Bureau Group Co. Ltd.), a limited liability company established in the PRC and a subsidiary of CSCECL; |

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| “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 established in the PRC and a non-wholly owned subsidiary of 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 PRC and a wholly-owned subsidiary of the Company; |
| “Directors” | the directors of the Company; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “Infrastructure Works” | engineering works relating to the construction of roads, tunnels, bridges, urban infrastructure, water conservation, environmental protection and urban landscaping, urbanisation and construction of facilities; consultancy and management services; |
| “JV Agreement” | the joint venture formation cooperation agreement between CSCIICL and CCTEB dated 29 July 2016 in relation to the formation of the Chengdu JV; |
| “JV Transaction” | the entering into of the JV Agreement for the formation of the Chengdu 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; |

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| “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; and |
| “%” | per cent.. |

For the purpose of this announcement and for illustration purpose only, conversion of HK\$ to RMB is based on the exchange rate of HK\$1.00 = RMB0.853. No representation is made that any amounts in RMB have been or could be converted at the above rate or at 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 Officer

Hong Kong, 29 July 2016

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.