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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

中國建築第四工程局有限公司

(CHINA CONSTRUCTION FOURTH ENGINEERING DIVISION CORP. LTD.)

On 30 December 2016, CSCIIICL (a wholly-owned subsidiary of the Company) and CCFED entered into the Cooperation Agreement, pursuant to which the parties agreed to (i) form Tongren JV for the purpose of investing into the Tongren Expressway Project; and (ii) regulate their respective rights and obligations in Tongren JV.

CCFED is a subsidiary of CSCECL, which in turn is the intermediate holding company of the Company. Accordingly, CCFED is a connected person of the Company and the 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.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 30 December 2016, CSCIIICL (a wholly-owned subsidiary of the Company) and CCFED entered into the Cooperation Agreement, pursuant to which the parties agreed to (i) form Tongren JV for the purpose of investing into the Tongren Expressway Project; and (ii) regulate their respective rights and obligations in Tongren JV.

COOPERATION AGREEMENT

Date

30 December 2016

Parties

- (i) CSCIICL, a wholly-owned subsidiary of the Company; and
- (ii) CCFED, a subsidiary of CSCECL, which in turn is the intermediate holding company of the Company.

Formation of Tongren JV

Pursuant to the Cooperation Agreement, CSCIICL and CCFED shall establish Tongren JV for project financing investment, design, construction management and transfer of the Tongren Expressway Project. CSCIICL and CCFED shall hold 60% and 40% equity interest in Tongren JV, respectively. Tongren JV will be accounted for as a joint venture of the Group.

CSCIICL and CCFED agreed to the following major terms concerning Tongren JV in the Cooperation Agreement:

Capital Commitment : Registered capital of Tongren JV

Tongren JV shall have a registered capital of RMB3,500,000,000 (equivalent to approximately HK\$3,846,153,846), which shall be contributed by CSCIICL and CCFED in proportion to their respective equity interest in Tongren JV as follows:

CSCIICL	RMB2,100,000,000 (equivalent to approximately HK\$2,307,692,308)
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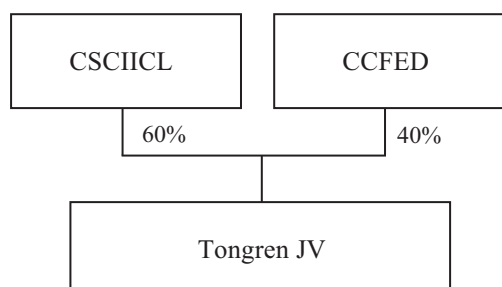
CCFED RMB1,400,000,000 (equivalent to approximately HK\$1,538,461,538)

The respective contribution to the registered capital of Tongren JV is determined after arm's length negotiations between the parties with reference to the proposed capital requirements of the Tongren Expressway Project and the parties' interest in Tongren JV.

- Board composition : Tongren JV shall establish the board of directors with not more than five members and shall have one supervisor. The specific composition and appointment shall be separately negotiated and decided by CSCIICL and CCFED. However, the appointment and the rights and obligations enjoyed by and borne by CSCIICL and CCFED shall be in proportion to their respective equity interest in Tongren JV.
- Profit/loss sharing : The profit/loss in respect of Tongren JV shall be shared by CSCIICL and CCFED in proportion to their respective equity interest in Tongren JV.
- Future financing : Capital for the Tongren Expressway Project shall be financed by the registered capital of Tongren JV. Any additional funding requirements of Tongren JV shall be arranged by Tongren JV with banks or financial institutions.
- Restriction on transfers : Neither CSCIICL nor CCFED may transfer or assign all or any part of its equity interest in Tongren JV without written consent from the other party.

OWNERSHIP STRUCTURE OF TONGREN JV

The chart below shows the ownership structure of Tongren JV upon its establishment:



INFORMATION ON TONGREN JV AND TONGREN EXPRESSWAY PROJECT

Tongren JV is a joint venture company to be formed by CSCIICL and CCFED for the purpose of project financing investment, design, construction management and transfer of the Tongren Expressway Project.

The Tongren Expressway Project is a project involving project financing investment, design, construction management and transfer of the expressway connecting Songtao and Yuping in Tongren City, Guizhou Province (貴州省銅仁市松桃至玉屏快速道路建設項目). Subject to the approval of the relevant governmental authority, the expressway shall be a two-way expressway with six to eight lanes, with a total length of approximately 116.7 kilometres, designed speeds of 60 and 80 kilometre per hour and land width ranging from 30 to 80 metres. The construction period is expected to be two years.

Upon completion and satisfactory acceptance of construction works, the expressway shall be transferred back to the relevant governmental authority. The relevant governmental authority shall pay acquisition fees to Tongren JV in phases during a five-year period.

REASONS FOR AND BENEFITS OF THE TRANSACTION

CCFED has substantial experience in construction markets. The Transaction provides the Company with the opportunity to participate in infrastructure construction projects in the PRC with CCFED as joint venture partner, and bring synergy effect between the parties. The Directors believe that such arrangement will benefit the Group by leveraging the substantial experience of CCFED.

The Directors (including the independent non-executive Directors) consider that the 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 Transaction are fair and reasonable and in the interest 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.

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

CSCECL is a contractor which is principally engaged in construction works in various cities of the PRC.

CCFED is a subsidiary of CSCECL, which in turn is the intermediate holding company of the Company. Accordingly, CCFED is a connected person of the Company and the 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.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:

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| “CCFED” | 中國建築第四工程局有限公司 (China Construction Fourth Engineering Division Corp. 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 persons”, “percentage ratios”, “subsidiary”	each has the meaning ascribed to it in the Listing Rules;
“Cooperation Agreement”	the cooperation agreement between CSCIICL and CCFED dated 30 December 2016 in relation to the formation of Tongren JV for the purpose of investing into the Tongren Expressway Project;
“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), the intermediate holding company of the Company indirectly interested in more than 50% of the Company;
“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;
“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;
“Tongren JV”	a joint venture company to be established as a limited liability company pursuant to the Cooperation Agreement;
“Tongren Expressway Project”	the project involving project financing investment, design, construction management and transfer of the expressway connecting Songtao and Yuping in Tongren City, Guizhou Province (貴州省銅仁市松桃至玉屏快速道路建設項目), details of which are set out in the section headed “Information on Tongren JV and Tongren Expressway Project” of this announcement;
“Transaction”	the entering into of the Cooperation Agreement and the transactions contemplated thereunder; 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 RMB0.91 = 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 Officer

Hong Kong, 30 December 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.