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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)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY EIGHT EXISTING SHARES HELD**

AND

CLOSURE OF REGISTER OF MEMBERS

Underwriter

CHINA OVERSEAS HOLDINGS LIMITED

PROPOSED RIGHTS ISSUE

The Company proposes to raise approximately HK\$6,356 million before expenses, by way of a rights issue of 561,017,407 Rights Shares on the basis of one Rights Share for every eight Existing Shares at the Subscription Price of HK\$11.33 per Rights Share.

The Company will provisionally allot one Rights Share in nil-paid form for every eight Existing Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue is not available to the Non-Qualifying Shareholders.

The 561,017,407 nil-paid Rights Shares proposed to be provisionally allotted represent: (a) approximately 12.50% of the Company's existing issued share capital; and (b) approximately 11.11% of the Company's enlarged issued share capital as enlarged by the issue of the Rights Shares.

As at the date of this announcement, COHL (the controlling shareholder of the Company), together with Silver Lot (COHL's wholly owned subsidiary), are interested in an aggregate of 2,825,854,041 Shares, representing approximately 62.96% of the issued share capital of the Company. Pursuant to the Irrevocable Undertaking, COHL has, among other things, irrevocably undertaken to the Company that it will take up 340,386,459 Rights Shares, and will procure Silver Lot to take up 12,845,293 Rights Shares, representing their respective full entitlements to the new Shares under the Rights Issue.

Pursuant to the Underwriting Agreement dated 22 August 2017, the Underwriter has conditionally agreed to fully underwrite all the Rights Shares other than those agreed to be taken up by COHL and Silver Lot pursuant to the Irrevocable Undertaking.

TRADING ARRANGEMENTS

The last day of dealings in the Shares on a cum-rights basis is expected to be on Wednesday, 6 September 2017. The Shares are expected to be dealt in on an ex-rights basis from Thursday, 7 September 2017.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on Record Date (currently Friday, 15 September 2017) and be a Qualifying Shareholder. The register of members of the Company will be closed from Monday, 11 September 2017 to Friday, 15 September 2017 (both dates inclusive) during which period no transfer of Shares will be registered. In order to be registered as a member of the Company as at the Record Date so as to qualify for the Rights Issue, all transfer documents of the Shares must be lodged (together with the relevant Share certificates) with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 8 September 2017.

LISTING RULES IMPLICATIONS

As the proposed Rights Issue will not increase the number of issued shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders in a general meeting. The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable.

COHL is the controlling shareholder of the Company and Silver Lot is a wholly owned subsidiary of COHL, and they are therefore connected persons of the Company under Chapter 14A of the Listing Rules. Pursuant to the Listing Rules, the taking up of their entitlements to the Rights Issue by COHL and Silver Lot as Qualifying Shareholders and subscription for the Rights Shares in excess of their entitlements under the Rights Issue (if applicable) are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to the Listing Rules, the underwriting of the Rights Issue by the Underwriter as the underwriter contemplated under the Underwriting Agreement is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules provided that there is arrangement for the Qualifying Shareholders to apply for the excess Rights Shares in compliance with Rule 7.21(1) of the Listing Rules. Notwithstanding the above, as the highest applicable percentage ratio for the underwriter's commission payable by the Company to the Underwriter is more than 0.1% but less than 5%, the payment of underwriting fee to the Underwriter constitutes a connected transaction of the Company which is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

WARNING OF THE RISKS OF DEALINGS IN SHARES AND THE NIL PAID RIGHTS SHARES

It should be noted that the Rights Issue is conditional upon several conditions, details of which are set out in the section headed "Underwriting - Conditions of the Rights Issue" in the full text of this announcement. The obligation of the Underwriter to underwrite the relevant Rights Shares is conditional on (a) the satisfaction (or waiver) of, among other things, the conditions referred to in the section headed "Underwriting - Conditions of the Rights Issue" in full text of this announcement, and (b) the Underwriting Agreement not being terminated by the Underwriter in accordance with its terms. If the conditions are not fulfilled (or waived) or the Underwriting Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Wednesday, 20 September 2017 to Wednesday, 27 September 2017 will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

PROPOSED RIGHTS ISSUE

The Company is going to raise long term equity capital by way of the Rights Issue on the terms set out below.

Issue statistics

Basis of the Rights Issue	: one Rights Share for every eight Existing Shares
Number of Shares in issue	: 4,488,139,261 Shares as at the date of this announcement
Number of Rights Shares	: 561,017,407 Rights Shares (assuming no other Shares are otherwise allotted and issued on or before the Record Date)
Subscription price	: HK\$11.33 per Rights Share
Enlarged issued share capital upon completion of the Rights Issue	: 5,049,156,668 Shares (assuming no other Shares are otherwise allotted and issued on or before the Record Date)
Underwriter	: COHL

The Company has no outstanding convertible securities or options in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the date of this announcement.

The 561,017,407 nil-paid Rights Shares proposed to be provisionally allotted represent:

- (a) approximately 12.50% of the Company's existing issued share capital; and
- (b) approximately 11.11% of the Company's enlarged issued share capital as enlarged by the issue of the Rights Shares.

Subscription Price

The subscription price for the Rights Shares is HK\$11.33 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, upon application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for Rights Shares. The Subscription Price represents:

- (a) a discount of approximately 9.36% to the Last Closing Price;
- (b) a discount of approximately 8.41% to the theoretical ex-rights price of HK\$12.37 per Share, which is calculated on the basis of the Last Closing Price;
- (c) a discount of approximately 9.29% to the average of the closing prices per Share for the five trading days ended on the Last Trading Day of approximately HK\$12.49; and
- (d) a discount of approximately 9.36% to the average of the closing prices per Share for the ten trading days ended on the Last Trading Day of approximately HK\$12.50.

The Subscription Price was arrived at with reference to the then market environment and the prevailing Share prices. After taking into consideration the reasons for the Rights Issue as stated in the section headed "Reasons for the Rights Issue and use of proceeds" below, the Directors consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values as indicated above) and in the context of the Company's long-term business strategy, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of the provisional allotment shall be one Rights Share for every eight Existing Shares held, being 561,017,407 Rights Shares at a price of HK\$11.33 per Rights Share. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a cheque or banker's cashier order for the Rights Shares being applied for with the Company's branch share registrar in Hong Kong on or before 4:00 p.m. on the Acceptance Date.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be:

- (a) registered as a member of the Company at the close of business on the Record Date; and
- (b) a Qualifying Shareholder.

The last day of dealings in the Shares on a cum-rights basis is expected to be on Wednesday, 6 September 2017. The Shares are expected to be dealt in on an ex-rights basis from Thursday, 7 September 2017.

In order to be registered as a member of the Company as at the Record Date so as to qualify for the Rights Issue, all transfer documents of the Shares must be lodged (together with the relevant Share certificates) with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 8 September 2017.

The Company expects to send the Prospectus Documents to the Qualifying Shareholders on or before Monday, 18 September 2017.

The latest time for acceptance is expected to be 4:00 p.m. on the Acceptance Date.

The PRC Southbound Trading Investors may participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to (a) sell their nil-paid Rights Shares on the Stock Exchange; and/or (b) subscribe for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, ChinaClear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his entitlement in full under the Rights Issue, his proportionate shareholding in the Company will be diluted.

Closure of Register of Members

For the purpose of determining entitlements to the Rights Issue, the register of members of the Company will be closed from Monday, 11 September 2017 to Friday, 15 September 2017 (both dates inclusive) during which period no transfer of Shares will be registered.

Rights of Non-Qualifying Shareholders

Overseas Shareholders on the Record Date may not be eligible to take part in the Rights Issue as explained below.

The Prospectus Documents are not intended to be registered or filed under applicable securities legislation of any jurisdiction other than (a) Hong Kong; and (b) the PRC, in accordance with the notice issued by the China Securities and Regulatory Commission of *Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Shanghai-Hong Kong Stock Connect (Announcement 2014 No.48)*.

Prior to the issue of the Prospectus, the Company will make enquiries with overseas legal advisers regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on the legal opinions obtained by the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to any Overseas Shareholder on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholder pursuant to Rule 13.36(2)(a) of the Listing Rules. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

The Company will, subject to the advice given in the legal opinions provided by the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable and legally permitted, send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send any PAL or EAF to the Non-Qualifying Shareholders.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold for their benefit as soon as practicable after dealings in nil-paid rights commence on the Stock Exchange and in any event before the Acceptance Date at a net premium in excess of all expenses of sale. The aggregate net proceeds of such sale will be distributed to the Non-Qualifying Shareholders pro-rata to their shareholdings on the Record Date, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Fractional Entitlements to the Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. No odd lot matching services will be provided. Fractional entitlements to any Rights Shares will be disregarded and will be aggregated and allocated to satisfy excess applications (if any) and/or disposed of in such manner as the Directors in their absolute discretion deem appropriate and for the benefits and interests of the Company and more particularly described in the section headed “Application for excess Rights Shares” below.

Application for excess Rights Shares

Qualifying Shareholders (other than the PRC Southbound Trading Investors) may apply, by way of excess application, for:

- (a) any Rights Shares representing fractional entitlements;
- (b) any Rights Shares provisionally allotted but not accepted; and
- (c) any Rights Shares representing any unsold entitlements of the Non-Qualifying Shareholders.

If a Qualifying Shareholder (other than the PRC Southbound Trading Investors) wishes to apply for any Rights Shares in addition to his provisional allotment, he must complete and sign an EAF and lodge it with the Company's branch share registrar in Hong Kong, together with a separate cheque or banker's cashier order for the amount payable on application in respect of the excess Rights Shares applied for by no later than 4:00 p.m. on Tuesday, 3 October 2017, or such later time and/or date as may be agreed between the Company and the Underwriter.

The Board will allocate the excess Rights Shares at their discretion on a fair and equitable basis in proportion to the number of excess Rights Shares being applied for under each application. However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Rights Shares should note that there is no guarantee that such odd lots of the Rights Shares will be topped up to create whole board lots pursuant to applications for excess Rights Shares. Any Rights Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter.

Investors with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own name(s) prior to the Record Date.

For investors whose Shares are held by a nominee company (or which are deposited in CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Company's branch share registrar in Hong Kong, for completion of the relevant registration by 4:30 p.m. on Friday, 8 September 2017.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue such that holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions the record dates of which are on or after the date of allotment of the fully-paid Rights Shares. For the avoidance of doubt, the Rights Shares (if issued, and whether in nil-paid or fully paid form) will not entitle the holders thereof to the interim dividend of the Company for the six months ended 30 June 2017 as declared by the Board.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The nil-paid Rights Shares shall have the board lot size of 2,000 nil-paid Rights Shares in one board lot, same as the existing board lot size of the Shares, namely, 2,000 Shares in one board lot.

Stamp duty and other applicable fees and charges

Dealings in the Rights Shares (in both their nil-paid and fully-paid forms) will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day after the date of the transaction. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on Thursday, 12 October 2017 to those who have accepted and (where applicable) applied for, and paid for, the Rights Shares by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on Thursday, 12 October 2017 by ordinary post to the applicants at their own risk.

IRREVOCABLE UNDERTAKING FROM COHL

As at the date of this announcement, COHL (the controlling shareholder of the Company), together with Silver Lot (COHL's wholly owned subsidiary), are interested in an aggregate of 2,825,854,041 Shares, representing approximately 62.96% of the issued share capital of the Company. Pursuant to the Irrevocable Undertaking, COHL has, among other things, irrevocably undertaken to the Company that it will take up 340,386,459 Rights Shares, and will procure Silver Lot to take up 12,845,293 Rights Shares, representing their respective full entitlements to the new Shares under the Rights Issue.

Save for the Irrevocable Undertaking, the Company has not obtained undertakings from any other Shareholders that they will subscribe for any or all of the Rights Shares to be provisionally allotted to them.

UNDERWRITING

The Underwriting Agreement

Date	: 22 August 2017
Parties	: The Company and COHL as the underwriter
Number of Rights Shares underwritten	: 207,785,655 Rights Shares, being the difference between the total number of Rights Shares and the aggregate of 353,231,752 Rights Shares undertaken to be taken up by COHL and Silver Lot (COHL's wholly owned subsidiary) pursuant to the Irrevocable Undertaking, and assuming no other Shares are otherwise allotted and issued on or before the Record Date
Underwriter's commission	: 2.0% of the aggregate Subscription Price in respect of the 207,785,655 Rights Shares being underwritten.

The Underwriter has conditionally agreed to fully underwrite the difference between the total number of Rights Shares and the aggregate of 353,231,752 Rights Shares undertaken to be taken up by COHL and Silver Lot (COHL's wholly owned subsidiary) pursuant to the Irrevocable Undertaking. The number of Rights Shares to be underwritten by the Underwriter will be 207,785,655 Rights Shares, representing approximately 4.12% of the issued share capital of the Company as enlarged by the issue of the said Rights Shares.

Conditions of the Rights Issue

The Rights Issue is conditional, among other things, upon fulfillment (or waiver, if permitted by the terms of the Underwriting Agreement) of the following conditions:

- (a) the issue by the Stock Exchange of a certificate of authorisation of registration in respect of, and the registration of one duly signed copy of, each of the Prospectus Documents (and all other documents required by Section 342C of the Companies (WUMP) Ordinance to be attached thereto) by the Registrar of Companies in Hong Kong prior to the Prospectus Posting Date;
- (b) the posting on the Prospectus Posting Date of copies of the Prospectus Documents to Qualifying Shareholders;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant, in writing, listing of and permission to deal in the Rights Shares in nil-paid and fully-paid forms (subject only to allotment and despatch of the appropriate documents of title) at or prior to 9:30 a.m. on Wednesday, 4 October 2017 or the first trading day of the Rights Shares in nil-paid form if earlier, and such grant or agreement to grant not being withdrawn or revoked prior to the Settlement Date;
- (d) compliance with and performance of all obligations of COHL under the Irrevocable Undertaking; and
- (e) the Underwriting Agreement not having terminated in accordance with its terms.

If the conditions of the Rights Issue are not fulfilled, or waived (with respect to condition (e), generally or any part thereof) by COHL by the Latest Time for Termination (or such later date or time as COHL may agree in writing with the Company pursuant to the Underwriting Agreement), the obligations of the parties arising from the Underwriting Agreement shall terminate and cease and no party shall have any claim against any other party (except in respect of any antecedent breach) and the Rights Issue will not proceed.

Termination of the Underwriting Agreement

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by written notice to the Company at any time prior to the Latest Time for Termination if:

- (a) there comes to the notice of the Underwriter or it shall have reasonable cause to believe that any of the undertakings or other obligations expressed to be assumed by or imposed on the Company under the Underwriting Agreement have not been complied with in any material respect; or
- (b) there comes to the notice of the Underwriter or it shall have reasonable cause to believe that (i) any of the representations, warranties or undertakings given by the Company under the Underwriting Agreement was or is untrue, incorrect, incomplete or misleading in any material respect, or (ii) any event has occurred or matter has arisen, which, if it had occurred or arisen before the date of the Underwriting Agreement or before the dates or before any time on which the representations, warranties and undertakings are deemed to be given would render any of those representations warranties or undertakings untrue, incorrect, incomplete or misleading in any material respect; or
- (c) (i) the Prospectus Documents, when published, would contain information which would be untrue, inaccurate, incomplete or misleading in any material respect, (ii) matters have arisen or been discovered which would, if the Prospectus Documents were to be issued at the time, render any information contained therein to be untrue, inaccurate, incomplete or misleading in any material respect, (iii) matters have arisen or been discovered which would, if the Prospectus Documents were to be issued at the time, constitute a material omission therefrom, or (iv) there is any adverse change in the business or in the financial or trading position or prospects of the Group which in the reasonable opinion of the Underwriter is material in the context of the issue of the Rights Shares; or
- (d) there develops, occurs, exists or comes into effect any events, including:
 - (i) the introduction of any new law or regulation or any change in existing laws or regulations (or any change in the judicial interpretation thereof) whether in Hong Kong or the Cayman Islands; or
 - (ii) any adverse change or deterioration (whether or not permanent) in local, national or international economic, financial, political or military conditions or any event beyond the control of the Company; or

- (iii) any adverse change or deterioration (whether or not permanent) in local, national or international securities market conditions; or
- (iv) without prejudice to sub-paragraphs (ii) and (iii) above, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial or political circumstances or otherwise; or
- (v) any suspension in the trading of Shares on the Stock Exchange for a continuous period of ten (10) business days (other than any suspension for the purpose of obtaining clearance from the Stock Exchange for the publication of this announcement or any other announcements relating to the Rights Issue),

and in the reasonable opinion of the Underwriter (a) the success of the Rights Issue or the business or financial condition or prospects of the Group would be materially and adversely affected; or (b) which makes it inadvisable or inexpedient to proceed with the Rights Issue; or (c) which would have the effect of making any part of the Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms.

Underwriter's Commission

The commission payable to the Underwriter under the Underwriting Agreement is 2.0% of the aggregate Subscription Price in respect of the 207,785,655 Rights Shares being underwritten, which amounts to approximately HK\$47,084,000. The commission rate was determined after arm's length negotiations between the Company and the Underwriter with reference to, among other things, the scale of the Rights Issue, the current and expected market conditions and the commission rates charged by underwriters in the recent market precedents of rights issue. The Directors (including the independent non-executive Directors) consider the terms of the Underwriting Agreement, including the commission payable by the Company are on normal commercial terms (or better to the Company), 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 contemplated under the Underwriting Agreement.

Upon termination of the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall cease and terminate and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save in respect of any antecedent breach of any obligation under it.

EXPECTED TIMETABLE

The expected timetable for the proposed Rights Issue is set out below:

2017

Last day of dealings in Shares on a cum-rights basis	Wednesday, 6 September
First day of dealings in Shares on an ex-rights basis	Thursday, 7 September
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:30 p.m. on Friday, 8 September
Register of members closes (both dates inclusive)	Monday, 11 September — Friday, 15 September
Record Date	Friday, 15 September
Prospectus Documents expected to be despatched on	Monday, 18 September
Register of members re-opens	Monday, 18 September
First day of dealings in nil-paid Rights Shares	Wednesday, 20 September
Latest time for splitting of PAL	4:30 p.m. on Friday, 22 September
Last day of dealings in nil-paid Rights Shares	Wednesday, 27 September
Latest time for acceptance and payment for Rights Shares and application for excess Rights Shares	4:00 p.m. on Tuesday, 3 October
Latest time for termination of the Underwriting Agreement	4:00 p.m. on Wednesday, 4 October

Publication of the announcement of allotment
results Wednesday, 11 October

Refund cheques in respect of wholly or
partially unsuccessful application for excess
Rights Shares expected to be despatched on
or before Thursday, 12 October

Certificates for fully-paid Rights Shares
expected to be despatched on or before Thursday, 12 October

Expected first day and time of dealings in
fully-paid Rights Shares 9:00 a.m. on Friday,
13 October

Note: All dates and times referred to in this announcement are Hong Kong dates and times. Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by agreement between the Company and the Underwriter. Further announcement will be made in the event that there is any change to the expected timetable for the Rights Issue.

EFFECT OF THE RIGHT ISSUE ON THE SHAREHOLDINGS IN THE COMPANY

The shareholdings in the Company (a) as at the date of this announcement; (b) immediately after completion of the Rights Issue (assuming all Rights Shares will be taken up by Qualifying Shareholders); and (c) immediately after completion of the Rights Issue (assuming no Rights Shares will be taken up by Qualifying Shareholders other than COHL and Silver Lot pursuant to the Irrevocable Undertaking and the Underwriter will take up all unsubscribed Rights Shares pursuant to the Underwriting Agreement), will be as follows:

	Existing shareholding as at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Rights Shares will be taken up by Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming no Rights Shares will be taken up by Qualifying Shareholders other than COHL and Silver Lot pursuant to the Irrevocable Undertaking and the Underwriter will take up all unsubscribed Rights Shares pursuant to the Underwriting Agreement)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
COHL	2,723,091,690	60.67	3,063,478,149	60.67	3,271,263,804	64.79
Silver Lot	102,762,351	2.29	115,607,644	2.29	115,607,644	2.29
Directors	14,141,496	0.32	15,909,180	0.32	14,141,496	0.28
Public Shareholders	<u>1,648,143,724</u>	<u>36.72</u>	<u>1,854,161,695</u>	<u>36.72</u>	<u>1,648,143,724</u>	<u>32.64</u>
Total	<u>4,488,139,261</u>	<u>100.00</u>	<u>5,049,156,668</u>	<u>100.00</u>	<u>5,049,156,668</u>	<u>100.00</u>

Notes:

1. Based on the assumption that no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue.
2. Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

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

COHL is principally engaged in investment holding. It is not in the ordinary course of business of COHL to underwrite shares.

COHL has offered its support to the Group for raising fund through the proposed Rights Issue. The Directors believe that the fund raising can augment the financial position of the Group to enable it to capture more investment opportunities of infrastructure projects in the PRC. The proposed Rights Issue can also enlarge the capital base of the Company. The Directors also believe that it would be in the interests of the Company and the Shareholders to raise long-term equity funding via the proposed Rights Issue to strengthen the Company's financial position and increase its general working capital for its future business development, whilst allowing all the Qualifying Shareholders the equitable opportunity to increase their investment in the Company and participate in the Company's prospects. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

The Rights Issue will expand the Company's funding capability to enhance the Group's business. On this basis, the Directors consider that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

The estimated net proceeds of the Rights Issue will not be less than approximately HK\$6,307 million. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$11.24. The Company intends to apply all the net proceeds of the Rights Issue for further development and expansion of the Group's business and for general working capital of the Group.

The estimated expenses of the Rights Issue (including professional fees and other related expenses) amount to approximately HK\$49 million and will be borne by the Company.

PREVIOUS FUND RAISING EXERCISE OF THE COMPANY

The Company has not undertaken any equity fund raising exercise in the 12-month period immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

As the proposed Rights Issue will not increase the number of issued shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders in a general meeting. The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable.

COHL is the controlling shareholder of the Company and Silver Lot is a wholly owned subsidiary of COHL, and they are therefore connected persons of the Company under Chapter 14A of the Listing Rules. Pursuant to the Listing Rules, the taking up of their entitlements to the Rights Issue by COHL and Silver Lot as Qualifying Shareholders and subscription for the Rights Shares in excess of their entitlements under the Rights Issue (if applicable) are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to the Listing Rules, the underwriting of the Rights Issue by the Underwriter as the underwriter contemplated under the Underwriting Agreement is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules provided that there is arrangement for the Qualifying Shareholders to apply for the excess Rights Shares in compliance with Rule 7.21(1) of the Listing Rules. Notwithstanding the above, as the highest applicable percentage ratio for the underwriter's commission payable by the Company to the Underwriter is more than 0.1% but less than 5%, the payment of underwriting fee to the Underwriter constitutes a connected transaction of the Company which is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

WARNING OF THE RISKS OF DEALINGS IN SHARES AND THE NIL PAID RIGHTS SHARES

It should be noted that the Rights Issue is conditional upon several conditions, details of which are set out in the section headed "Underwriting - Conditions of the Rights Issue" in the full text of this announcement. The obligation of the Underwriter to underwrite the relevant Rights Shares is conditional on (a) the satisfaction (or waiver) of, among other things, the conditions referred to in the

section headed “Underwriting - Conditions of the Rights Issue” in full text of this announcement, and (b) the Underwriting Agreement not being terminated by the Underwriter in accordance with its terms. If the conditions are not fulfilled (or waived) or the Underwriting Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Wednesday, 20 September 2017 to Wednesday, 27 September 2017 will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“Acceptance Date”	the last business day on which payment for and acceptance of the Rights Shares can be made under the Rights Issue, which shall be Tuesday, 3 October 2017 (or such later date as may be agreed in writing between the Company and the Underwriter);
“Board”	the board of Directors;
“business day”	a day (other than a Saturday or Sunday) on which commercial banks in Hong Kong are generally open for business;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“ChinaClear”	China Securities Depository and Clearing Corporation Limited;
“COHL” or “Underwriter”	China Overseas Holdings Limited, the controlling shareholder of the Company;
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);

“Company”	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3311);
“connected person”, “controlling shareholder”, “subsidiary(ies)”, percentage ratio	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EAF(s)”	the excess application form(s) for additional Rights Shares proposed to be issued to the Qualifying Shareholders (other than the PRC Southbound Trading Investors);
“Existing Shares”	the Shares which are in issue on the Record Date;
“Group”	the Company and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Irrevocable Undertaking”	the irrevocable undertaking dated 22 August 2017 given by COHL in favour of the Company to, among other things, take up 340,386,459 Rights Shares, and procure Silver Lot to take up 12,845,293 Rights Shares;
“Last Closing Price”	the closing price of HK\$12.50 per Share as quoted on the Stock Exchange on the Last Trading Day;
“Last Trading Day”	21 August 2017, being the last trading day of the Shares on the Stock Exchange immediately preceding the release of this announcement;

“Latest Time for Termination”	4:00 p.m. on Wednesday, 4 October 2017;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macao Special Administrative Region of the PRC;
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) in respect of whom the Directors, based on legal opinions obtained by the Company, consider it necessary or expedient not to offer Rights Shares on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register is/are outside Hong Kong;
“PAL(s)”	the provisional allotment letter(s) representing the Rights Shares proposed to be issued to the Qualifying Shareholders under the Rights Issue;
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan;
“PRC Southbound Trading Investors”	the PRC investors who hold the shares of Hong Kong listed companies through ChinaClear as nominee under the Shanghai-Hong Kong Stock Connect;
“Prospectus”	the prospectus relating to the issue of the Rights Shares to be despatched on the Prospectus Posting Date to the Qualifying Shareholders and, for information only, to the Non-Qualifying Shareholders, under the Rights Issue;
“Prospectus Documents”	the Prospectus, PAL(s) and EAF(s);

“Prospectus Posting Date”	the business day on which the Prospectus Documents will be despatched to Shareholders, which is now expected to be Monday, 18 September 2017 (or such other date to be agreed in writing between the Company and the Underwriter);
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date;
“Record Date”	the record date by reference to which entitlements to the Rights Issue will be determined, which is now expected to be Friday, 15 September 2017 (or such other date to be agreed in writing between the Company and the Underwriter);
“Rights Issue”	the issue by way of rights of one Rights Share for every eight Existing Shares at the Subscription Price, payable in full on acceptance;
“Rights Share(s)”	561,017,407 Shares, being the new Share(s) to be allotted and issued by way of rights to the Qualifying Shareholders under the Rights Issue, having an aggregate nominal value of approximately HK\$14,025,435;
“Settlement Date”	4 October 2017;
“Shanghai-Hong Kong Stock Connect”	a securities trading and clearing platform under which PRC domestic investors may trade in the Hong Kong Stock Exchange via ChinaClear;
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Silver Lot”	Silver Lot Development Limited, a wholly owned subsidiary of COHL;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	HK\$11.33 per Rights Share;

“Underwriting Agreement”

the underwriting agreement dated 22 August 2017 entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue; and

“%”

per cent.

* *The number of Rights Shares attributable to a particular Shareholder set out in this announcement is for illustration purpose only and the actual number may change due to the fact that the Shares may be held by different nominees and as a result of rounding resulting from fractional entitlements.*

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

Hong Kong, 22 August 2017

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, Mr. Wu Mingqing and Mr. Zhang Haipeng 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.