

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.



(Incorporated in Hong Kong with limited liability)

(Stock Code: 81)



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3311)

CONNECTED TRANSACTION

INCREASE OF CAPITAL CONTRIBUTION INTO BAOTOU JV FOR INNER MONGOLIA PROJECT

On 27 March 2018, CGOSIL (a wholly-owned subsidiary of COGO), CSCIICL (a wholly-owned subsidiary of CSC) and BXCCIOM entered into the Cooperation Agreement, pursuant to which the parties agreed to increase their respective capital contributions into Baotou JV in proportion to their respective equity interest in Baotou JV for the purpose of investing into the Inner Mongolia Project.

Baotou JV is a joint venture company established by CGOSIL, CSCIICL and BXCCIOM on 6 December 2017 on a 60:20:20 basis and is principally engaged in property development. Baotou JV has a registered capital of RMB10,000,000 (equivalent to approximately HK\$12,345,679), which was contributed by CGOSIL, CSCIICL and BXCCIOM in proportion to their respective equity interest in Baotou JV upon its establishment. Baotou JV shall have a project capital (including the paid-up registered capital) of RMB660,000,000 (equivalent to approximately HK\$814,814,815) in relation to the Inner Mongolia Project. Pursuant to the Cooperation Agreement, the project capital shall be contributed by CGOSIL, CSCIICL and BXCCIOM in proportion to their respective current equity interest in Baotou JV.

As at the date of this joint announcement, COHL is the controlling shareholder of both COGO and CSC by virtue of being interested in approximately 38.32% of the issued share capital of COGO and approximately 64.60% of the issued share capital of CSC. Hence, CSC is a connected person of COGO and COGO is a connected person of CSC under Chapter 14A of the Listing Rules. Accordingly, the Transaction constitutes connected transaction for each of COGO and CSC.

Since one or more applicable percentage ratios as defined in the Listing Rules calculated for COGO 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.

Since one or more applicable percentage ratios as defined in the Listing Rules calculated for CSC 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 March 2018, CGOSIL, CSCIICL and BXCCIOM entered into the Cooperation Agreement, pursuant to which the parties agreed to increase their respective capital contributions into Baotou JV in proportion to their respective equity interest in Baotou JV for the purpose of investing into the Inner Mongolia Project. Baotou JV is a joint venture company established by CGOSIL, CSCIICL and BXCCIOM on 6 December 2017 on a 60:20:20 basis and is principally engaged in property development.

COOPERATION AGREEMENT

Date

27 March 2018

Parties

- (a) CGOSIL, a wholly-owned subsidiary of COGO;
- (b) CSCIICL, a wholly-owned subsidiary of CSC; and
- (c) BXCCIOM.

To the best of the knowledge, information and belief of the COGO Directors after having made all reasonable enquiries, BXCCIOM and its ultimate beneficial owner(s) are independent of COGO and its connected persons.

To the best of the knowledge, information and belief of the CSC Directors after having made all reasonable enquiries, BXCCIOM and its ultimate beneficial owner(s) are independent of CSC and its connected persons.

Information on Baotou JV

CGOSIL, CSCIICL and BXCCIOM established Baotou JV for the purpose of investing into the Inner Mongolia Project. CGOSIL, CSCIICL and BXCCIOM hold 60%, 20% and 20% equity interest in Baotou JV, respectively.

Baotou JV is accounted for as an associate of the CSC Group and a subsidiary of the COGO Group, respectively.

CGOSIL, CSCIICL and BXCCIOM agreed to and confirmed the following major terms concerning Baotou JV in the Cooperation Agreement:

Capital Commitment : Contribution to the project capital of Baotou JV
Baotou JV has a registered capital of RMB10,000,000 (equivalent to approximately HK\$12,345,679), which was contributed by CGOSIL, CSCIICL and BXCCIOM in proportion to their respective equity interest in Baotou JV upon its establishment.

Baotou JV shall have a project capital (including the paid-up registered capital) of RMB660,000,000 (equivalent to approximately HK\$814,814,815) in relation to the Inner Mongolia Project. Pursuant to the Cooperation Agreement, the project capital shall be contributed by CGOSIL, CSCIICL and BXCCIOM in proportion to their respective current equity interest in Baotou JV (i.e. 60%, 20% and 20% respectively) as follows:

CGOSIL	RMB396,000,000	(equivalent to approximately HK\$488,888,889)
CSCIICL	RMB132,000,000	(equivalent to approximately HK\$162,962,963)

BXCCIOM RMB132,000,000 (equivalent to approximately HK\$162,962,963)

The respective contribution to the project capital of Baotou JV is determined after arm's length negotiations between the parties with reference to the proposed capital requirements of the Inner Mongolia Project and the parties' interest in Baotou JV.

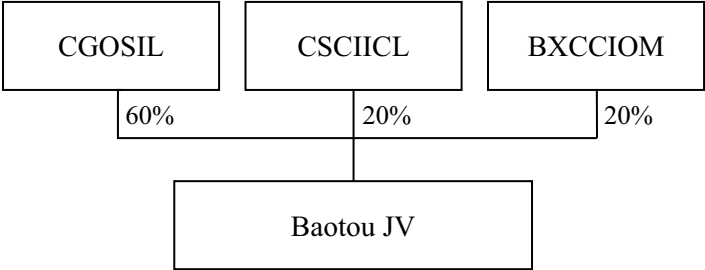
The project capital of Baotou JV to be contributed by CGOSIL is expected to be funded by COGO's internal resources and bank borrowings.

The project capital of Baotou JV to be contributed by CSCIICL is expected to be funded by CSC's internal resources.

- Board composition : The board of directors of Baotou JV comprises five directors; three of whom were appointed by CGOSIL, one of whom was appointed by CSCIICL and one of whom was appointed by BXCCIOM.
- Profit/loss sharing : The profit/loss after tax in respect of Baotou JV shall be shared by CGOSIL, CSCIICL and BXCCIOM in proportion to their respective equity interest in Baotou JV.
- Future financing : Future funding requirements of Baotou JV shall be obtained by Baotou JV through bank loans. If the financing is insufficient, subject to mutual agreement after negotiation on a best effort basis among the parties and the approval of the board of Baotou JV, any additional funding shall be provided by CGOSIL, CSCIICL and BXCCIOM (including by way of shareholders' loans) in proportion to their respective equity interest in Baotou JV.

OWNERSHIP STRUCTURE OF BAOTOU JV

The chart below shows the ownership structure of Baotou JV at present and upon increase in capital contribution pursuant to the Cooperation Agreement:



INFORMATION ON BAOTOU JV AND THE INNER MONGOLIA PROJECT

Baotou JV is a joint venture company established by CGOSIL, CSCIICL and BXCCIOM on 6 December 2017 and is principally engaged in property development. It is currently held by CGOSIL, CSCIICL and BXCCIOM as to 60%, 20% and 20% respectively. Pursuant to the Cooperation Agreement, the parties agreed to increase their respective capital contributions into Baotou JV in proportion to their respective equity interest in Baotou JV for the purpose of investing into the Inner Mongolia Project.

The Inner Mongolia Project is a property development project in the Xindoushi District, Baotou City, Inner Mongolia (內蒙古包頭市新都市區), the PRC. The project involves the development of the Land upon successful acquisition of the land use right by way of tender, auction or listing-for-sale.

The Land is located at north of Qingshan Road (青山路), east of Jingshi'er Road (經十二路), west of Jingjiu Road (經九路), south of Weiyi Road (緯一路), the Xindoushi District, Baotou City, Inner Mongolia, the PRC. It has a site area of approximately 166,120 square metres. The Land is for residential, educational or other commercial services purposes.

As set out in the audited financial statements of Baotou JV for the period since its establishment and ended on 31 December 2017, the net profit (both before and after taxation and extraordinary items) is RMB666.67 (equivalent to approximately HK\$823.05).

The audited net assets of Baotou JV as at 31 December 2017 was approximately RMB10,000,666.67 (equivalent to approximately HK\$12,346,502.06).

REASONS FOR AND BENEFITS OF THE TRANSACTION

COGO Group is an experienced property developer. The COGO Directors (including the independent non-executive directors of COGO) believe that the Transaction pursuant to the Cooperation Agreement will broaden the asset and earnings base of COGO and further strengthen COGO's position as a premier property developer in the third tier cities in the PRC.

CSC Group has extensive experiences in construction and infrastructure investment businesses. The CSC Directors (including the independent non-executive directors of CSC) believe that the Transaction will provide a good investment opportunity for CSC.

In addition, BXCCIOM is an enterprise owned by Baotou Municipal People's Government State Owned Assets Supervision and Administration Commission in the PRC and it is principally engaged in the construction, management and operation of urban infrastructure facilities and property development. The strategic cooperation among CGOSIL, CSCICL and BXCCIOM will complement each other in the co-development of the Land and promote mutual benefits among the parties.

The COGO Directors (including the independent non-executive directors of COGO) 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 COGO and its shareholders as a whole. None of the COGO Directors has a material interest in the Transaction. Mr. Yan Jianguo, one of the COGO Directors, who is also a director of China Overseas Land & Investment Limited and an executive director and vice president of COHL, has voluntarily abstained from voting on the COGO Board resolution(s) approving the Transaction.

The CSC Directors (including the independent non-executive directors of CSC) 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 CSC and its shareholders as a whole. None of the CSC Directors has a material interest in the Transaction and no CSC Director is required to abstain from voting on the CSC Board resolution(s) approving the Transaction.

GENERAL

CGOSIL is a wholly-owned subsidiary of COGO. The COGO Group is principally engaged in property development and investment in the PRC.

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

BXCCIOM is principally engaged in the construction, management and operation of urban infrastructure facilities and property development.

As at the date of this joint announcement, COHL is the controlling shareholder of both COGO and CSC by virtue of being interested in approximately 38.32% of the issued share capital of COGO and approximately 64.60% of the issued share capital of CSC. Hence, CSC is a connected person of COGO and COGO is a connected person of CSC under Chapter 14A of the Listing Rules. Accordingly, the Transaction constitutes connected transaction for each of COGO and CSC.

Since one or more applicable percentage ratios as defined in the Listing Rules calculated for COGO 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.

Since one or more applicable percentage ratios as defined in the Listing Rules calculated for CSC 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 joint announcement, unless the context otherwise requires, the following expressions have the following meanings:

“associate”, “connected person(s)”, “percentage ratios”, “subsidiary(ies)”	each has the meaning ascribed to it in the Listing Rules;
“Baotou JV”	包頭市中海宏洋地產有限公司(Baotou City China Grand Oceans Properties Company Limited*), a joint venture company established in the PRC as a limited liability company on 6 December 2017 by CGOSIL, CSCIICL and BXCCIOM;
“BXCCIOM”	包頭新都市建設投資運營管理有限公司 (Baotou Xindou City Construction Investment and Operation Management Company Limited*), a limited liability company established in the PRC;

“CGOSIL”	中海宏洋(深圳)投资有限公司 (China Overseas Grand Oceans (Shenzhen) Investment Limited*), a limited liability company established in the PRC and a wholly-owned subsidiary of COGO;
“COGO”	China Overseas Grand Oceans Group Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 81);
“COGO Board”	the board of COGO Directors;
“COGO Director(s)”	directors of COGO;
“COGO Group”	COGO and its subsidiaries from time to time;
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability;
“Cooperation Agreement”	the cooperation agreement between CGOSIL, CSCIIICL and BXCCIOM dated 27 March 2018 in relation to the increase in capital contribution into Baotou JV for the purpose of investing into the Inner Mongolia Project;
“CSC”	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);
“CSC Board”	the board of CSC Directors;
“CSC Director(s)”	directors of CSC;
“CSC Group”	CSC and its subsidiaries from time to time;

“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 CSC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Inner Mongolia Project”	the property development project on the Land, details of which are set out in the section headed “Information on Baotou JV and the Inner Mongolia Project” of this joint announcement;
“Land”	a parcel of land is located in the Xindoushi District, Baotou City, Inner Mongolia, the PRC as described in the section headed “Information on Baotou JV and the Inner Mongolia Project”;
“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 joint announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the entering into of the Cooperation Agreement and the transactions contemplated thereunder; and
“%”	per cent.

Unless otherwise specified in this joint announcement, amounts denominated in Renminbi have been converted, for the purpose of illustration only, into Hong Kong dollars at the rate of RMB0.81=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 joint 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 COGO Board
China Overseas Grand Oceans
Group Limited
Yan Jianguo**

Chairman and Non-Executive Director

**By Order of the CSC Board
China State Construction
International Holdings Limited
Zhou Yong**

Chairman and Chief Executive Officer

Hong Kong, 27 March 2018

As at the date of this joint announcement, Mr. Zhang Guiqing, Mr. Paul Wang Man Kwan and Mr. Yang Lin are the executive directors of COGO; Mr. Yan Jianguo and Mr. Yung Kwok Kee, Billy are the non-executive directors of COGO; and Dr. Timpson Chung Shui Ming, Mr. Jeffrey Lam Kin Fung and Mr. Dantes Lo Yiu Ching are the independent non-executive directors of COGO.

As at the date of this joint announcement, 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 are the executive directors of CSC; and Dr. Raymond Ho Chung Tai, Mr. Adrian David Li Man Kiu, Dr. Raymond Leung Hai Ming and Mr. Lee Shing See are the independent non-executive directors of CSC.