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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

中建方程投資發展有限公司

(China Construction Fangcheng Investment & Development Co., Ltd.)

and

中國建築第七工程局有限公司

(China Construction Seventh Engineering Division Corp. Ltd.)

On 27 March 2018, CSCIICL (a wholly-owned subsidiary of the Company), China Fangcheng and CCSED entered into the Cooperation Agreement, pursuant to which the parties agreed to (i) form Quanzhou JV for the purposes of investing into the Baisha Project; and (ii) regulate their respective rights and obligations in Quanzhou JV.

Each of China Fangcheng and CCSED is a subsidiary of CSCECL, which in turn is the intermediate holding company of the Company. Accordingly, each of China Fangcheng and CCSED 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 one or more applicable percentage ratios as defined in 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 March 2018, CSCIICL, China Fangcheng and CCSED entered into the Cooperation Agreement, pursuant to which the parties agreed to (i) form Quanzhou JV for the purpose of investing into the Baisha Project; and (ii) regulate their respective rights and obligations in Quanzhou JV.

COOPERATION AGREEMENT

Date

27 March 2018

Parties

- (a) CSCIICL, a wholly-owned subsidiary of the Company;
- (b) China Fangcheng, a subsidiary of CSCECL, which in turn is the intermediate holding company of the Company; and
- (c) CCSED, a subsidiary of CSCECL.

Formation of Quanzhou JV

Pursuant to the Cooperation Agreement, CSCIICL, China Fangcheng and CCSED shall establish Quanzhou JV for investment, construction and operation of the Baisha Project. CSCIICL, China Fangcheng and CCSED shall hold 35%, 55% and 10% equity interest in Quanzhou JV, respectively. Quanzhou JV will be accounted for as an associate of the Group.

CSCIICL, China Fangcheng and CCSED agreed to the following major terms concerning Quanzhou JV in the Cooperation Agreement:

Capital Commitment : Registered capital of Quanzhou JV

Quanzhou JV shall have a registered capital of RMB700,000,000 (equivalent to approximately HK\$864,197,531), which shall be contributed by CSCIICL, China Fangcheng and CCSED in proportion to their respective equity interest in Quanzhou JV as follows:

CSCIICL	RMB245,000,000 (equivalent to approximately HK\$302,469,136)
China Fangcheng	RMB385,000,000 (equivalent to approximately HK\$475,308,642)
CCSED	RMB70,000,000 (equivalent to approximately HK\$86,419,753)

Project Capital of Quanzhou JV

Quanzhou JV shall have a project capital (inclusive of the registered capital of Quanzhou JV) of RMB3,773,400,000 (equivalent to approximately HK\$4,658,518,518), which shall be contributed by CSCIIICL, China Fangcheng and CCSED in proportion to their respective equity interest in Quanzhou JV as follows:

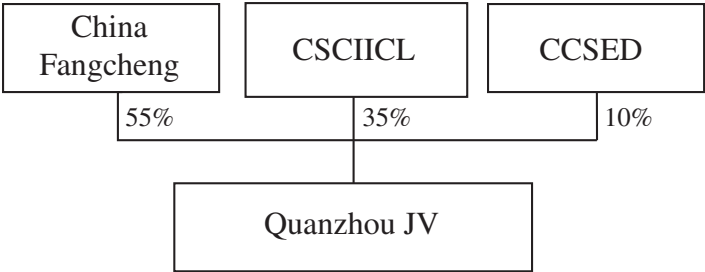
CSCIIICL	RMB1,320,690,000 (equivalent to approximately HK\$1,630,481,481)
China Fangcheng	RMB2,075,370,000 (equivalent to approximately HK\$2,562,185,185)
CCSED	RMB377,340,000 (equivalent to approximately HK\$465,851,852)

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

- Board composition : The board of directors of Quanzhou JV shall comprise five directors; three of whom shall be nominated by China Fangcheng, one of whom shall be nominated by CSCIIICL and one of whom shall be nominated by CCSED.
- Profit/loss sharing : The profit/loss after tax and expenses in respect of Quanzhou JV shall be shared by CSCIIICL, China Fangcheng and CCSED in proportion to their respective equity interest in Quanzhou JV.
- Future financing : Any additional funding requirements of Quanzhou JV (other than the project capital) shall be arranged by Quanzhou JV with banks or financial institutions.
- Restriction on transfers : Neither CSCIIICL, China Fangcheng nor CCSED may transfer or assign all or any part of its equity interest in Quanzhou JV without written consent from the other parties.

OWNERSHIP STRUCTURE OF QUANZHOU JV

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



INFORMATION ON QUANZHOU JV AND THE BAISHA PROJECT

Quanzhou JV is a joint venture company to be formed by CSCIICL, China Fangcheng and CCSED for the purpose of investment, construction and operation of the Baisha Project.

The Baisha Project is a shanty-town property redevelopment project in the Baisha District, the Taiwanese Investment Zone, Quanzhou, Fujian Province, the PRC. The project involves preliminary town planning and design, land consolidation, construction of resettlement properties and infrastructure facilities in villages of the Baisha District. Quanzhou JV shall receive service fee from the local government for its services provided with respect to the Baisha Project.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Each of China Fangcheng and CCSED has substantial experience in construction markets. The Transaction provides the Company with the opportunity to participate in property redevelopment projects in the PRC with China Fangcheng and CCSED as joint venture partners, and bring synergy effect between the parties. The Directors believe that such arrangement will benefit the Group by leveraging the substantial experience of China Fangcheng and CCSED.

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.

China Fangcheng is principally engaged in investment management, project investment, investment consultancy, corporate management service, corporate management consultancy, planning management, property development, construction, construction project management.

CCSED is a contractor mainly participating in the PRC construction market.

Each of China Fangcheng and CCSED is a subsidiary of CSCECL, which in turn is the intermediate holding company of the Company. Accordingly, each of China Fangcheng and CCSED 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 one or more applicable percentage ratios as defined in 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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| “Baisha Project” | the shanty-town property redevelopment project involving investment, construction and operation in the Baisha District, the Taiwanese Investment Zone, Quanzhou, Fujian Province, the PRC (台商投資區白沙片區棚戶區改造項目), details of which are set out in the section headed “Information on Quanzhou JV and the Baisha Project” of this announcement; |
| “CCSED” | 中國建築第七工程局有限公司 (China Construction Seventh Engineering Division Corp. Ltd.), a limited liability company established in the PRC and a subsidiary of CSCECL; |

“China Fangcheng”	中建方騰投資發展有限公司 (China Construction Fangcheng Investment & Development 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 persons”, “percentage ratios”, “subsidiary”	each has the meaning ascribed to it in the Listing Rules;
“Cooperation Agreement”	the cooperation agreement between CSCIICL, China Fangcheng and CCSED dated 27 March 2018 in relation to the formation of Quanzhou JV for the purposes of investing into the Baisha 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;

“Quanzhou JV”	a joint venture company to be established as a limited liability company pursuant to the Cooperation Agreement;
“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 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 RMB0.81=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 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, 27 March 2018

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.