

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.



中國海外宏洋集團有限公司
CHINA OVERSEAS GRAND OCEANS GROUP LTD.

*(incorporated in Hong Kong with limited liability)
(Stock Code: 81)*



遠東環球集團有限公司
FAR EAST GLOBAL GROUP LIMITED

*(incorporated in the Cayman Islands with limited liability)
(Stock Code : 830)*



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)*

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO COGO MANAGEMENT SERVICES

On 26 June 2018, COGO and FEG entered into the COGO Framework Agreement, pursuant to which the COGO Group agreed to engage the FEG Group to provide the COGO Management Services from time to time for the period commencing from 1 July 2018 and ending on 30 June 2021 subject to the COGO Engagement Cap.

As at the date of this joint announcement, COHL is a controlling shareholder of COGO, CSC and FEG by virtue of being interested in approximately 38.32% of the number of shares of COGO in issue and approximately 64.60% of the issued share capital of CSC. CSC is the indirect holding company of FEG, which is interested in approximately 74.06% of the issued share capital of FEG. Accordingly, members of the COGO Group are connected persons of FEG and members of the FEG Group are connected persons of COGO. As such, the engagement of the FEG Group by the COGO Group for the COGO Management Services pursuant to the COGO Framework Agreement constitutes continuing connected transactions for each of FEG and COGO under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined under the Listing Rules calculated for both COGO and FEG in respect of the maximum total contract sum that may be awarded by the COGO Group to the FEG Group for each period/year under the COGO Framework Agreement (i.e. the COGO Engagement Cap) are more than 0.1% but less than 5%, the transactions contemplated under the COGO Framework Agreement are subject to the annual review, reporting and announcement requirements but are exempt from the independent shareholders' approval requirement.

For CSC, CSC is not a party to the transactions contemplated under the COGO Framework Agreement but because FEG is its subsidiary, the transactions constitute continuing connected transactions for CSC. Since the applicable percentage ratios as defined under the Listing Rules in respect of the maximum total contract sum that may be awarded for each period/year under the COGO Framework Agreement (i.e. the COGO Engagement Cap) are more than 0.1% but less than 5%, the transactions contemplated under the COGO Framework Agreement are subject to the annual review, reporting and announcement requirements but are exempt from the independent shareholders' approval requirement.

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Acquisition Announcement and the circular dated 9 April 2018 published by FEG. FEG acquired the entire equity interests in China Overseas Supervision from a wholly-owned subsidiary of CSC, the completion of which took place on 26 June 2018. As mentioned in the Acquisition Announcement, prior to the Acquisition Completion, China Overseas Supervision entered into certain transactions with the COGO Group to provide the construction supervision services in respect of the prevailing projects which would subsist after the Acquisition Completion. It is expected that the COGO Group may continue to engage China Overseas Supervision (which has become a member of the FEG Group subsequent to the Acquisition Completion) for the provision of construction supervision services for its property development projects in the PRC.

On 26 June 2018, COGO and FEG entered into the COGO Framework Agreement, pursuant to which the COGO Group agreed to engage the FEG Group to provide the project management, supervision and consultancy services for the property development projects of the COGO Group in the PRC (i.e. the COGO Management Services) from time to time for the period commencing from 1 July 2018 and ending on 30 June 2021 subject to the COGO Engagement Cap.

COGO FRAMEWORK AGREEMENT

Date

26 June 2018

Parties

1. COGO; and
2. FEG.

Term

The COGO Framework Agreement has a term of three years commencing from 1 July 2018 and ending on 30 June 2021 (both days inclusive) .

Subject matter

The FEG Group may participate in competitive tender for the provision of the COGO Management Services for the property development projects of the COGO Group in the PRC as a service provider from time to time. The FEG Group may tender for the COGO Management Services in accordance with the tendering procedures of the COGO Group and on the same and normal terms as offered to other independent third party service providers.

If any contract is granted in favour of the FEG Group as a result of the above tender, the FEG Group may act as the service provider for the provision of the COGO Management Services based on the terms of the successful tender subject to the corresponding COGO Engagement Cap set out in the paragraph headed “COGO Engagement Cap” below.

The fees payable by the COGO Group to the FEG Group will be settled pursuant to the payment terms set out in the tender documents or specific contracts.

Pricing basis*Pricing basis of the COGO Group in respect of the COGO Management Services*

As a general principle, the prices and terms of the contracts shall be determined in the ordinary course of business on normal commercial terms, negotiated on an arm’s length basis and at prices and on terms no more favourable than those awarded to the independent third party service providers of the COGO Group.

The COGO Group will normally invite service providers to participate in competitive tender for the COGO Management Services in accordance with the tendering procedures of the COGO Group.

In conducting the COGO Group’s invitations to tender, review of tenders and tender selection, the participation of the members of the FEG Group in the tender process shall not in any way affect the COGO Group’s tendering procedures, contract terms and selection principles. The members of the FEG Group shall be treated in the same way as independent third parties.

The price and terms of the tenders awarded by the COGO Group to the FEG Group are subject to the standard and systematic tender procedures maintained by the

COGO Group, which applies to tenders submitted by both connected persons and independent third parties to ensure that the price and terms of the tender awarded by the COGO Group to the FEG Group are no more favourable than those awarded to independent third parties.

1. Invitation to Tender

- (i) The COGO Group has established its own list of approved service providers (which is subject to periodic review and update by its management). All service providers invited to submit tender for the COGO Management Services are selected from such list. Service providers accepted on the list include those with or without prior working history with the COGO Group. Service providers with working history with the COGO Group will be subject to suitability assessment following completion of each project of the COGO Group. A service provider can be retained in the list of approved service providers if its assessment is satisfactory. The COGO Group will remove a service provider from the list of approved service providers if it fails to meet the minimum criteria for retention. If a service provider has no prior working history with the COGO Group, the service provider will be subject to qualification evaluation and review to ascertain if it is suitable for inclusion in the list.
- (ii) The number of invitations to tender: the number of tenders to be invited in a project shall not be less than three.
- (iii) Selection of service providers to be invited to tender: the suitability of a service provider is assessed with general reference to selection criteria including but not limited to the service provider's qualification grade, financial ability, technical capability, cooperation record, project management ability, quality of work and business management capability. Depending on the estimated value of the project management contract, the

person in charge and line managers of the regional office or the district office shall conduct the vetting process to ascertain certain service providers to be invited to tender, following which the letter of invitation to tender will be issued.

2. Tendering and Selection of bids

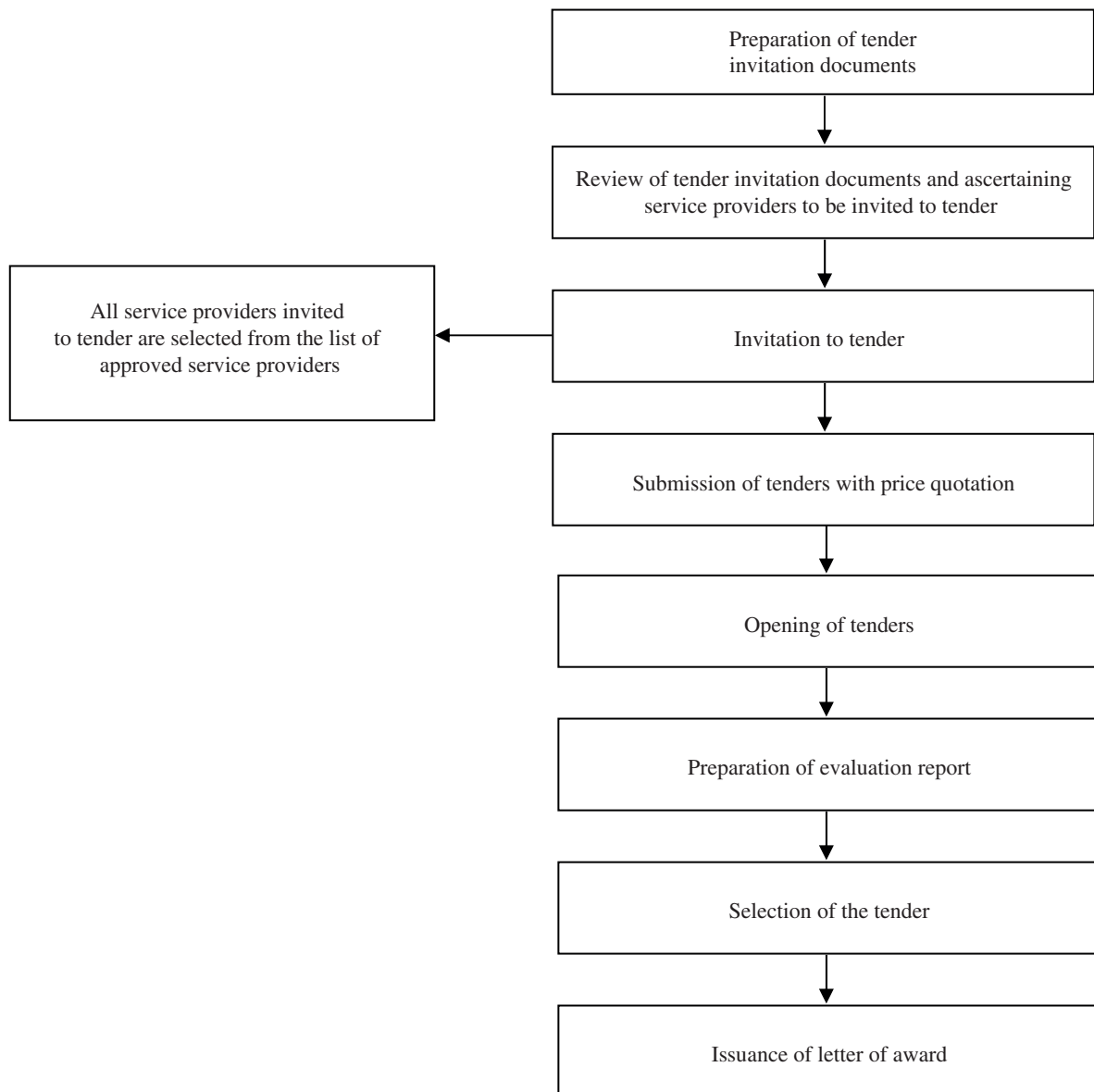
(i) Tendering: the tender documents with price quotations shall be submitted in a sealed envelope. All tender correspondence and registration are standardised by the COGO Group.

(ii) Opening of tenders: the tenders will be opened in the presence of an officer from the financial department of the regional office or from the human resources department of the members of the COGO Group. The supervising officer will execute the tendering documents which will be confirmed and signed by all parties present at the opening.

(iii) Selection of tenders: based on the COGO Group's established system of tendering, the winning bid will usually be the one conforming to the technical requirements with a reasonable and minimum price offered. The selection of tenders is determined collectively by the decision-making body in a meeting where contents of the proposed tender, and the service provider's capability and risk of default are given full consideration. The relevant letter of award will be issued once the final decision is made in the meeting of the decision-making body based on the final tender amount.

3. To ensure that the tender exercise is open and fair, professional consultants are usually employed to prepare an evaluation report to review the proposed tender and recommend service providers for property projects.

Tendering Procedures



In the event that the expected contract amount involved is relatively small or no tenderer is available, and it will not be appropriate for the COGO Group to go through the above tendering procedures, the COGO Group will seek quotations from at least three different service providers.

For the selection of a service provider among the three potential service providers, the lowest quotation will be selected on the condition that the selected service provider also satisfies all other essential requirements (including but not limited to the service providers' qualification grade, financial ability, technical capability, cooperation record, project management ability, quality of work and business management capability. If the price and terms offered by a member of the FEG Group are equal to or better than those offered by independent service providers, such member of the COGO Group may probably accept the quotation from such member of the FEG Group.

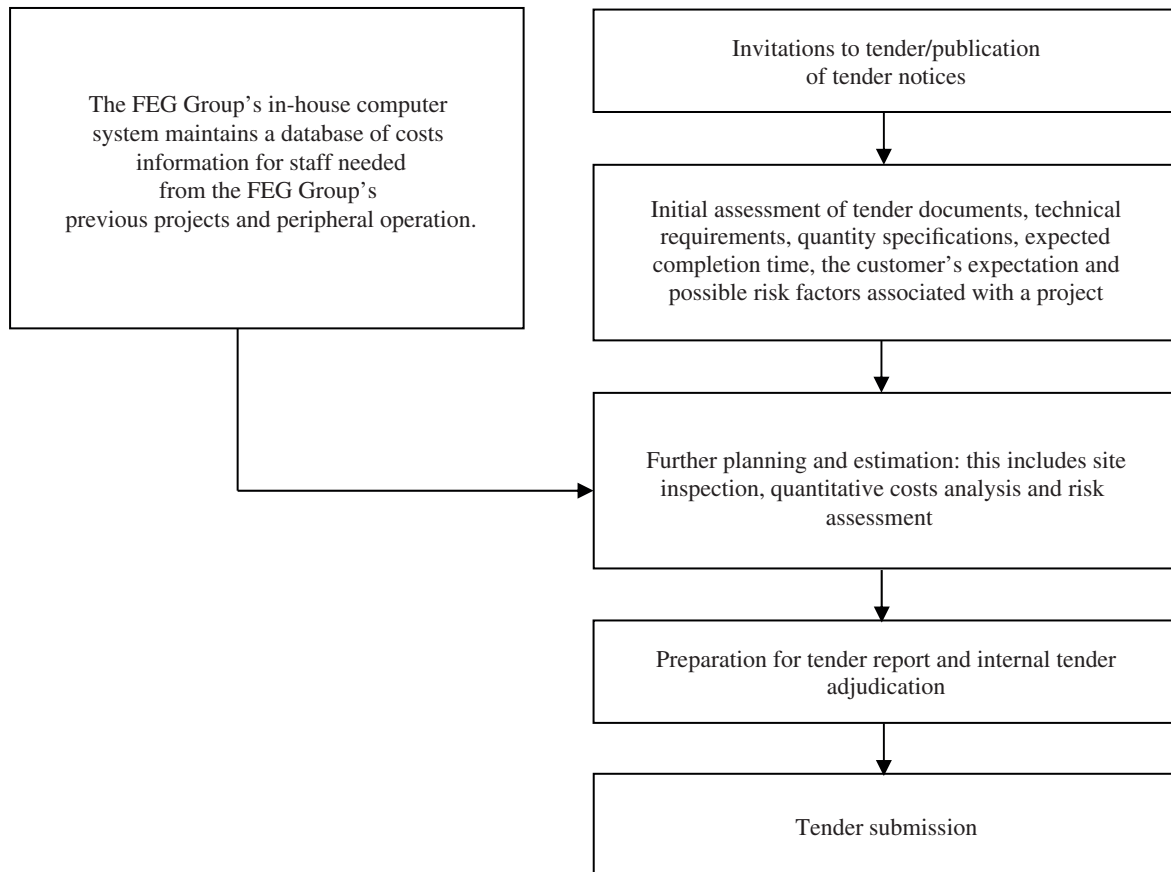
Pricing basis of the FEG Group in respect of the COGO Management Services

As a general principle, the prices and terms of the contracts shall be determined in the ordinary course of business on normal commercial terms, negotiated on an arm's length basis and at prices and on terms no more favourable than those provided to the independent third party customers of the FEG Group.

As for the provision of management services, the FEG Group will normally need to go through a tender or similar process before being selected and appointed as a service provider of the COGO Group.

The price and terms of the tenders submitted by the FEG Group to the COGO Group for the COGO Management Services are subject to the standard and systematic tender submission procedures maintained by the FEG Group, which applies for tender submitted to both connected persons and independent third parties of the FEG Group, in order to ensure that the price and terms of the proposed tender submitted by the FEG Group to the COGO Group are no more favourable than those submitted to independent third parties.

The standard and systematic tender submission procedures generally involves (i) receiving invitation to tender; (ii) initial assessment of tender documents; (iii) further planning and estimation; (iv) preparation for tender report and internal tender adjudication; and (v) tender submission. The procedures, as illustrated in the following diagram, will enable the FEG Group to review the feasibility and profitability of the tender to be submitted and to decide the contents and pricing terms of the tender to be submitted.



In preparing and assessing the tender documents, the FEG Group will take into account factors including the technical requirements, quantity specifications, expected completion time, the customer's expectations and the possible risk factors associated with the project. The FEG Group will conduct quantitative costs analysis and risk assessment.

In determining the pricing terms, the FEG Group will review the costs information maintained by its in-house computer database for staff needed from the FEG Group's previous projects and peripheral operation.

The FEG Group will also review and compare previous tender prices submitted to both connected persons and independent third parties, so as to ensure that the tender price to be submitted is no more favourable than those submitted to independent third parties.

If any contract is granted in favour of the FEG Group as a result of the competitive tender, the relevant project owner of the COGO Group will issue a letter of award to the FEG Group and the FEG Group will act as the service provider for providing the COGO Management Services based on the terms of the successful tender.

COGO Engagement Cap

The maximum total contract sum that may be awarded by the COGO Group to the FEG Group during the term of the COGO Framework Agreement shall not exceed the following COGO Engagement Cap:

For the period from 1 July 2018 to 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2020	For the period from 1 January 2021 to 30 June 2021
HK\$30 million	HK\$60 million	HK\$60 million	HK\$30 million

Basis of determining the COGO Engagement Cap

The PRC property development business of the COGO Group has been expanding over the years. Having considered the substantial experience, high qualification and pricing offered by the FEG Group, the COGO Group intends to engage the FEG Group to provide the COGO Management Services for some of its property development projects in the PRC in order to secure a more diverse base of service providers for the COGO Management Services.

Calculation of the COGO Engagement Cap

The COGO Engagement Cap is calculated with reference to the following factors:

- (a) the total contract sum awarded by the COGO Group to China Overseas Supervision in respect of the provision of the construction supervision services for the period from 1 April 2016 to 31 December 2016 of approximately HK\$98 million and, for the year ended 31 December 2017 of approximately HK\$41 million and for the period from 1 January 2018 to 31 May 2018 of approximately HK\$6 million. Save for the aforementioned transactions, there was no other historical transaction between the COGO Group and the FEG Group in respect of the COGO Management Services since 2016 and up to May 2018;

- (b) the demand of the COGO Group for the COGO Management Services for the period commencing from 1 July 2018 and ending on 30 June 2021, estimated with reference to the COGO Management Services to be required under the existing and future property development plans of the COGO Group; and
- (c) other factors such as, the business plans of the COGO Group and inflation.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE COGO FRAMEWORK AGREEMENT

The COGO Group is principally engaged in property development and investment in the PRC.

The FEG Group is principally engaged in the general contracting business and facade contracting business (including design, engineering, manufacture, installation of curtain wall system, project consultancy and management services).

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

The COGO Board takes the view that the FEG Group is a professional company with high qualifications (including qualifications in the PRC for supervising construction works). COGO is in the opinion that the engagement of the FEG Group for the provision of the COGO Management Services can ensure the smooth running of the relevant property development projects of the COGO Group in the PRC.

The FEG Board takes the view that the COGO Framework Agreement is entered into by FEG in its ordinary and usual course of business. The provision of the COGO Management Services under the COGO Framework Agreement can expand the customer base of the FEG Group's operating management business and can provide a steady income stream to the FEG Group.

The COGO Directors (including the independent non-executive COGO Directors) are of the view that as far as the COGO Shareholders are concerned, the COGO Framework Agreement (together with the COGO Engagement Cap) is entered into in the ordinary course of business of COGO, on normal commercial terms, fair and reasonable and in the best interests of COGO and its shareholders as a whole.

The FEG Directors (including the independent non-executive FEG Directors) are of the view that as far as the FEG Shareholders are concerned, the COGO Framework Agreement (together with the COGO Engagement Cap) is entered into in the ordinary course of the business of FEG, on normal commercial terms, fair and reasonable and in the best interests of FEG and its shareholders as a whole.

CSC is not a party to the transactions contemplated under the COGO Framework Agreement. However, the directors of CSC are required to consider such transactions as they are connected transactions of its subsidiary, FEG. In view of the above potential benefits to FEG, the directors of CSC (including the independent non-executive directors of CSC) consider that the transactions contemplated under the COGO Framework Agreement are expected to be entered into in the ordinary and usual course of business of the CSC Group, and the COGO Framework Agreement (together with the COGO Engagement Cap) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under the COGO Framework Agreement (together with the COGO Engagement Cap) are fair and reasonable and in the interests of CSC and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this joint announcement, COHL is a controlling shareholder of COGO, CSC and FEG by virtue of being interested in approximately 38.32% of the number of shares of COGO in issue and approximately 64.60% of the issued share capital of CSC. CSC is the indirect holding company of FEG, which is interested in approximately 74.06% of the issued share capital of FEG. Accordingly, members of the COGO Group are connected persons of FEG and members of the FEG Group are connected persons of COGO. As such, the engagement of the FEG Group by the COGO Group for the COGO Management Services pursuant to the COGO Framework Agreement constitutes continuing connected transactions for each of FEG and COGO under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined under the Listing Rules calculated for both COGO and FEG in respect of the maximum total contract sum that may be awarded by the COGO Group to the FEG Group for each period/year under the COGO Framework Agreement (i.e. the COGO Engagement Cap) are more than 0.1% but less than 5%, the transactions contemplated under the COGO Framework Agreement are subject to the annual review, reporting and announcement requirements but are exempt from the independent shareholders' approval requirement.

None of the COGO Directors has a material interest in the entering into of the COGO Framework Agreement and the transactions contemplated thereunder. Mr. Yan Jianguo, one of the COGO Directors, who is also a director of China Overseas Land & Investment Limited and the vice chairman and president of COHL, has voluntarily abstained from voting on the COGO Board resolutions approving the entering into of the COGO Framework Agreement and the transactions contemplated thereunder.

None of the FEG Directors has a material interest in the entering into of the COGO Framework Agreement and the transactions contemplated thereunder. Mr. Zhou Yong, who is the chairman of the board and non-executive director of FEG and also the chairman of COHL, has voluntarily abstained from voting on the FEG Board resolutions approving the entering into of the COGO Framework Agreement and the transactions contemplated thereunder.

For CSC, CSC is not a party to the transactions contemplated under the COGO Framework Agreement but because FEG is its subsidiary, the transactions constitute continuing connected transactions for CSC. Since the applicable percentage ratios as defined under the Listing Rules in respect of the maximum total contract sum that may be awarded for each period/year under the COGO Framework Agreement (i.e. the COGO Engagement Cap) are more than 0.1% but less than 5%, the transactions contemplated under the COGO Framework Agreement are subject to the annual review, reporting and announcement requirements but are exempt from the independent shareholders' approval requirement. No director of CSC has a material interest in the transactions contemplated under the COGO Framework Agreement, nor is required to abstain from voting on the CSC Board resolutions approving the transactions contemplated under the COGO Framework Agreement.

SUBSISTING TRANSACTIONS RELATING TO THE PREVAILING PROJECTS

As mentioned in the Acquisition Announcement, prior to the Acquisition Completion, China Overseas Supervision entered into certain transactions with the COGO Group to provide the construction supervision services in respect of the prevailing projects which would subsist after the Acquisition Completion. Following the Acquisition Completion, China Overseas Supervision has become a subsidiary of FEG and these subsisting transactions have become connected transactions for both COGO and FEG.

There are 17 subsisting contracts in respect of the prevailing projects with the outstanding aggregate amount of not more than HK\$72 million and payable by the COGO Group to China Overseas Supervision.

Pursuant to Rule 14A.60 of the Listing Rules, the principal terms of the subsisting contracts in respect of the prevailing projects are set out as follows:

- Parties** : (i) China Overseas Supervision (as service provider); and
: (ii) Member(s) of the COGO Group (as owner of the relevant property development).
- Scope of services** : Provision of construction supervision services by China Overseas Supervision to members of the COGO Group for the property development projects of the COGO Group in the PRC, which include supervision of quality, progress and measurements, contracts management, safety, information management and relationship coordination work.
- Payment term** : All outstanding amount is expected to be settled upon completion of final accounts of the prevailing projects by COGO.

DEFINITIONS

In this joint announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

- “Acquisition” the acquisition by FEG from a wholly-owned subsidiary of CSC of the entire equity interests in China Overseas Supervision as contemplated under the equity transfer agreement dated 14 March 2018 and entered into between FEG and the wholly-owned subsidiary of CSC;
- “Acquisition Announcement” the announcement of FEG dated 14 March 2018 in relation to the Acquisition;
- “Acquisition Completion” completion of the Acquisition, which took place on 26 June 2018;
- “China Overseas Supervision” China Overseas Supervision Limited* (中海監理有限公司), a company established under the laws of the PRC with limited liability;
- “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 directors of COGO;

“COGO Director(s)”	the director(s) of COGO;
“COGO Engagement Cap”	the maximum total contract sum may be awarded by the COGO Group to the FEG Group in relation to the contracts of the COGO Management Services for the term under the COGO Framework Agreement;
“COGO Framework Agreement”	the framework agreement dated 26 June 2018 entered into between COGO and FEG in respect of the engagement of members of the FEG Group by members of the COGO Group for the COGO Management Services;
“COGO Group”	COGO and its subsidiaries from time to time;
“COGO Management Services”	project management, supervision and consultancy services to be provided by members of the FEG Group to the members of the COGO Group for the property development projects of the COGO Group in the PRC pursuant to the COGO Framework Agreement, including but without limitation to supervision of quality, progress and measurements, and contracts management, safety, information management and relationship coordination work;
“COGO Shareholders”	the shareholders of COGO;
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability;
“connected persons”, “controlling shareholder” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;
“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 directors of CSC;
“CSC Group”	CSC and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time;

“FEG”	Far East Global Group 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: 830);
“FEG Board”	the board of directors of FEG;
“FEG Director(s)”	the director(s) of FEG;
“FEG Group”	FEG and its subsidiaries from time to time;
“FEG Shareholders”	the shareholders of FEG;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement excludes Hong Kong, Macao Special Administrative Region of the PRC and Taiwan;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent..

* *For identification purpose only*

By Order of the COGO Board
**CHINA OVERSEAS GRAND
OCEANS GROUP LIMITED**
Yan Jianguo
*Chairman and
Non-executive Director*

By Order of the FEG Board
FAR EAST GLOBAL GROUP LIMITED
Zhou Yong
*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, 26 June 2018

As at the date of this joint announcement, the COGO Board comprises Mr. Zhang Guiqing (Chief Executive Officer), Mr. Paul Wang Man Kwan (Chief Financial Officer) and Mr. Yang Lin (Vice President) as executive directors; Mr. Yan Jianguo (Chairman) and Mr. Billy Yung Kwok Kee (Vice Chairman) as non-executive directors; and Dr. Timpson Chung Shui Ming, Mr. Jeffrey Lam Kin Fung and Mr. Dantes Lo Yiu Ching as independent non-executive directors.

As at the date of this joint announcement, the FEG Board comprises Mr. Zhou Yong as Chairman and non-executive director; Mr. Zhu Yijian (Vice Chairman and Chief Executive Officer), Mr. Luo Haichuan, Mr. Wang Hai and Mr. Chan Sim Wang as executive directors; Mr. Huang Jiang as non-executive director; and Mr. Zhou Jinsong, Mr. Hong Winn and Ms. Kwong Sum Yee Anna as independent non-executive directors.

As at the date of this joint announcement, the CSC 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.