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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)

**RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022,  
FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS AND  
PROPOSED AMENDMENTS TO THE  
MEMORANDUM AND ARTICLES OF ASSOCIATION**

**FINANCIAL HIGHLIGHTS**

	<b>2022</b>	2021	Change %
<b>RESULTS (HK\$'000)</b>			
Revenue	<b>101,975,265</b>	77,309,614	31.9
Gross profit margin	<b>13.7%</b>	15.5%	-1.8
Profit attributable to owners of the Company	<b>7,956,876</b>	6,800,879	17.0
<b>FINANCIAL INFORMATION PER SHARE</b>			
Earnings – basic (HK\$)	<b>1.58</b>	1.35	17.0
Net assets (HK\$)	<b>13.46</b>	13.14	2.4

**DIVIDEND**

The Board proposed a final dividend of HK24 cents per share. Together with the interim dividend of HK24 cents per share, total cash dividends for the year were HK48 cents (2021: HK40.5 cents) per share.

## China State Construction International Holdings Limited

The board of directors (the “Board”) of China State Construction International Holdings Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2022. The Group’s audited profit attributable to the owners of the Company for the year ended 31 December 2022 was HK\$7,957 million, representing an increase of 17.0% as compared to last year while basic earnings per share increased by 17.0% to HK\$1.58.

### CONSOLIDATED INCOME STATEMENT

	Notes	For the year ended 31 December	
		2022 HK\$’000	2021 HK\$’000
Revenue	3	101,975,265	77,309,614
Costs of sales		(87,956,732)	(65,326,871)
Gross profit		14,018,533	11,982,743
Investment income, other income and other gains, net	5	1,577,205	1,197,192
Administrative, selling and other operating expenses		(2,434,764)	(2,278,609)
Share of profits of			
Joint ventures		275,196	369,246
Associates		333,934	782,808
Finance costs	6	(2,991,419)	(2,668,202)
Profit before tax		10,778,685	9,385,178
Income tax expenses, net	7	(2,309,221)	(1,949,294)
Profit for the year	8	8,469,464	7,435,884
Profit for the year attributable to:			
Owners of the Company		7,956,876	6,800,879
Holders of perpetual capital securities		295,824	465,132
Non-controlling interests		216,764	169,873
		8,469,464	7,435,884
Earnings per share (HK\$)	10		
Basic		1.58	1.35
Diluted		1.58	1.35

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	For the year ended 31 December	
	2022 HK\$'000	2021 HK\$'000
Profit for the year	<b>8,469,464</b>	7,435,884
Other comprehensive (loss)/income		
<i>Items that may be reclassified to profit or loss in subsequent periods</i>		
Loss on fair value changes of debt securities at fair value through other comprehensive income, net of tax	<b>(97,783)</b>	(9,662)
Release of investment revaluation reserve to consolidated income statement upon disposal of debt securities at fair value through other comprehensive income	<b>7,311</b>	269
Exchange differences on translation of subsidiaries	<b>(3,122,734)</b>	1,857,843
Exchange differences on translation of joint ventures	<b>(1,209,852)</b>	442,184
Exchange differences on translation of associates	<b>(212,060)</b>	136,293
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>		
Gain on fair value changes of investment properties transferred from property, plant and equipment or properties under development, net of tax	<b>11,668</b>	100,429
Other comprehensive (loss)/income for the year, net of tax	<b>(4,623,450)</b>	2,527,356
Total comprehensive income for the year	<b>3,846,014</b>	9,963,240
Total comprehensive income for the year attributable to:		
Owners of the Company	<b>3,458,767</b>	9,327,246
Holder of perpetual capital securities	<b>295,824</b>	465,132
Non-controlling interests	<b>91,423</b>	170,862
	<b>3,846,014</b>	9,963,240

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		As at 31 December	
	Note	2022 HK\$'000	2021 HK\$'000
<b>Non-current Assets</b>			
Property, plant and equipment		4,869,816	5,143,358
Right-of-use assets		570,025	554,978
Investment properties		7,080,272	5,126,232
Interests in infrastructure project investments		4,742,261	5,726,639
Interests in joint ventures		16,771,131	18,388,085
Interests in associates		7,482,593	9,347,225
Concession operating rights		3,328,066	3,784,772
Deferred tax assets		119,698	173,764
Trademark, project backlogs and licences		237,361	266,102
Goodwill		577,664	577,664
Financial assets at fair value through other comprehensive income		545,886	693,390
Amounts due from investee companies		231,481	211,806
Trade and other receivables	11	53,285,839	54,434,753
Loans to joint ventures		827,673	898,754
		<b>100,669,766</b>	<b>105,327,522</b>
<b>Current Assets</b>			
Interests in infrastructure project investments		471,693	72,752
Inventories		590,246	366,967
Properties under development		6,827,851	6,312,434
Properties held for sale		1,567,758	1,256,031
Contract assets		18,777,148	13,467,619
Trade and other receivables	11	65,830,023	59,239,650
Deposits and prepayments		877,898	1,114,512
Loans to joint ventures		340,727	618,899
Amounts due from joint ventures		8,307,400	6,977,678
Amounts due from associates		318,675	-
Amounts due from related companies		200,620	-
Tax recoverable		188,825	122,942
Bank balances and cash		23,881,499	24,407,419
		<b>128,180,363</b>	<b>113,956,903</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)*

		As at 31 December	
		2022	2021
		HK\$'000	HK\$'000
	Notes		
<b>Current Liabilities</b>			
Contract liabilities		8,503,090	9,662,819
Trade payables, other payables and accruals	12	69,736,719	60,561,364
Deposits received		53,164	64,208
Amounts due to joint ventures		840,486	1,183,012
Amounts due to associates		58,438	107,563
Amount due to a related company		455,618	588,313
Tax payables		5,481,524	5,573,209
Bank borrowings	13	13,719,657	10,104,945
Guaranteed notes payables and corporate bonds		2,980,184	4,286,155
Loan from a fellow subsidiary		909,091	739,706
Lease liabilities		86,671	51,154
		<b>102,824,642</b>	<b>92,922,448</b>
<b>Net Current Assets</b>		<b>25,355,721</b>	<b>21,034,455</b>
<b>Total Assets less Current Liabilities</b>		<b>126,025,487</b>	<b>126,361,977</b>
<b>Capital and Reserves</b>			
Share capital		125,940	125,940
Share premium and reserves		57,664,221	56,320,225
Equity attributable to owners of the Company		57,790,161	56,446,165
Perpetual capital securities		7,801,154	7,793,930
Non-controlling interests		2,205,139	1,976,176
		<b>67,796,454</b>	<b>66,216,271</b>
<b>Non-current Liabilities</b>			
Bank borrowings	13	45,457,207	47,848,335
Guaranteed notes payables and corporate bonds		8,760,252	8,095,418
Contract liabilities		663,898	667,106
Deferred tax liabilities		508,208	520,728
Loan from a joint venture		2,727,273	2,955,665
Lease liabilities		112,195	58,454
		<b>58,229,033</b>	<b>60,145,706</b>
		<b>126,025,487</b>	<b>126,361,977</b>

**Notes:**

**1. BASIS OF PREPARATION**

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income (“FVOCI”) and investment properties, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to nearest thousand except when otherwise indicated.

**2. APPLICATION OF NEW STANDARDS, AMENDMENTS AND IMPROVEMENTS TO EXISTING STANDARDS**

**(a) The adoption of amendments and improvements to existing standards**

In the current year, the Group has adopted the following amendments and improvements to existing standards (hereinafter collectively referred to as the “revised HKFRSs”) issued by the HKICPA.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The application of the above revised HKFRSs in the current year has had no material impact on the Group’s results and financial position.

2. APPLICATION OF NEW STANDARDS, AMENDMENTS AND IMPROVEMENTS TO EXISTING STANDARDS (*continued*)

(b) New standards and amendments to existing standards not yet effective

The Group has not early adopted the following new standards and amendments to existing standards that have been issued but are not yet effective.

Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i> <sup>2</sup>
HKFRS 17	<i>Insurance Contracts</i> <sup>1</sup>
Amendments to HKFRS 17	<i>Insurance Contracts</i> <sup>1,5</sup>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i> <sup>6</sup>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i> <sup>2, 4</sup>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i> <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i> <sup>1</sup>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i> <sup>1</sup>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>3</sup> No mandatory effective date yet determined but available for adoption

<sup>4</sup> As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised to align the corresponding wording with no change in conclusion

<sup>5</sup> As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

<sup>6</sup> An entity that chooses to apply the transition option relating to the classification overlay set out in this amendment shall apply it on initial application of HKFRS 17

The Group will adopt the above new standards and amendments to existing standards as and when they become effective. None of the above is expected to have a significant effect on the consolidated financial statements of the Group.

**3. REVENUE**

Revenue represents the revenue arising from construction contracts, construction related investment projects, facade contracting business, infrastructure operation, industrial plant reconstruction, project consultancy services, sales of building materials, machinery leasing, insurance contracts and rental income from investment properties.

An analysis of the revenue is as follows:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Revenue from construction contracts	<b>45,219,645</b>	32,121,267
Revenue from construction related investment projects (Note (a))	<b>49,243,336</b>	39,511,725
Revenue from facade contracting business	<b>4,596,232</b>	3,521,279
Revenue from infrastructure operation (Note (b))	<b>791,688</b>	869,342
Others (Note (c))	<b>2,124,364</b>	1,286,001
	<b><u>101,975,265</u></b>	<u>77,309,614</u>
Revenue from contracts with customers (Note (d))		
Timing of revenue recognition		
- Over time	<b>95,921,767</b>	72,559,860
- At a point in time	<b>1,577,115</b>	933,762
	<b><u>97,498,882</u></b>	<u>73,493,622</u>
Revenue from other sources		
- Interest income generated from construction related investment projects	<b>4,082,619</b>	3,259,125
- Others (Note (e))	<b>393,764</b>	556,867
	<b><u>4,476,383</u></b>	<u>3,815,992</u>
	<b><u>101,975,265</u></b>	<u>77,309,614</u>

Notes:

- (a) Revenue from construction related investment projects mainly comprises revenue generated from the provision of construction services under Public-Private-Partnership model and government targeted repurchase of resettlement housing project, and the corresponding interest income.
- (b) Revenue from infrastructure operation comprises revenue from thermoelectricity business and toll road operation.
- (c) Revenue from others mainly comprises revenue from industrial plant reconstruction, project consultancy services, sales of building materials, machinery leasing, insurance contracts and rental income from investment properties.



### 3. REVENUE (continued)

Notes: (continued)

- (d) The revenue recognised for the years ended 31 December 2022 and 2021 are recognised over time, except for toll road operation, sales of building materials and industrial plant reconstruction of approximately HK\$151,983,000 (2021: HK\$204,629,000), HK\$815,597,000 (2021: HK\$310,124,000) and HK\$609,535,000 (2021: HK\$419,009,000), respectively, which were recognised at a point in time.
- (e) The amount mainly comprises revenue from machinery leasing, insurance contracts and rental income from investment properties.

### 4. SEGMENT INFORMATION

The Group's reportable segments, based on information reported to the chief operating decision maker for the purposes of resources allocation and performance assessments, include (i) the Group's share of revenue and results of joint ventures, and (ii) geographical locations where the Group's subsidiaries operate, namely Mainland China (other than Hong Kong and Macau), Hong Kong and Macau.

China State Construction Development Holdings Limited, a limited liability company incorporated in the Cayman Islands and listed on the Main Board of The Stock Exchange of Hong Kong Limited, and its subsidiaries (collectively referred to as the "CSC Development Group") are currently managed by a separate business team. The chief operating decision maker regards the CSC Development Group as a distinct reportable segment and assesses its performance based on its overall result.

Segment revenue and results for the years ended 31 December 2022 and 2021 are as follows:

	Segment revenue		Gross profit		Segment results	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Reportable segments						
Mainland China	48,631,132	40,529,425	11,014,847	9,432,779	10,283,783	8,784,212
Hong Kong and Macau	47,755,975	32,249,605	2,270,764	1,882,360	1,815,049	1,682,099
Hong Kong	37,214,275	23,844,305	1,700,777	1,029,004	1,271,039	849,719
Macau	10,541,700	8,405,300	569,987	853,356	544,010	832,380
CSC Development Group	5,588,158	4,530,584	732,922	667,604	471,690	406,860
	<b>101,975,265</b>	77,309,614	<b>14,018,533</b>	11,982,743	<b>12,570,522</b>	10,873,171
Share of revenue/results of joint ventures	4,400,665	2,563,559			275,196	369,246
Total	<b>106,375,930</b>	79,873,173			<b>12,845,718</b>	11,242,417
Unallocated corporate income					281,975	28,155
Gain on disposal of a subsidiary					38,351	-
Gain on disposal of a joint venture					189,472	-
Gain on disposal of associates					80,654	-
Share of profits of associates					333,934	782,808
Finance costs					(2,991,419)	(2,668,202)
Profit before tax					<b>10,778,685</b>	9,385,178

5. INVESTMENT INCOME, OTHER INCOME AND OTHER GAINS, NET

	2022 HK\$'000	2021 HK\$'000
Interest income on:		
Bank deposits	209,136	157,259
Debt securities at FVOCI	27,580	28,440
Loans to joint ventures	24,829	51,662
Loans to associates	54,903	125,614
Deposits with a fellow subsidiary	4,112	6,573
Dividend income from:		
Equity securities at FVOCI	7,223	109,547
Gain on disposal of:		
Property, plant and equipment, net	5,071	14,827
A subsidiary	38,351	-
A joint venture	189,472	-
Associates	80,654	26,323
Gain on fair value changes of investment properties, net	221,817	487,722
Revaluation gain upon transfer from properties held for sale to investment properties	85,154	-
Revaluation gain upon transfer from properties under development to investment properties	467,034	-
Service income	29,469	41,320
Others	132,400	147,905
	<b>1,577,205</b>	<b>1,197,192</b>

6. FINANCE COSTS

	2022 HK\$'000	2021 HK\$'000
Interest on bank borrowings	2,319,472	2,066,860
Interest on guaranteed notes payables and corporate bonds	485,982	357,744
Interest on loan from a joint venture	216,546	216,983
Interest on loans from fellow subsidiaries	29,697	29,438
Interest on lease liabilities	9,929	5,341
Others	3,216	41,094
	<b>3,064,842</b>	<b>2,717,460</b>
Less: Capitalised in the cost of qualifying assets	<b>(73,423)</b>	<b>(49,258)</b>
	<b>2,991,419</b>	<b>2,668,202</b>

**7. INCOME TAX EXPENSES, NET**

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Current tax:		
Hong Kong profits tax	<b>303,412</b>	173,144
Other jurisdictions income tax	<b>1,950,713</b>	1,732,453
Mainland China land appreciation tax	<b>30,906</b>	29,621
Mainland China withholding income tax	<b>15,355</b>	-
	<b>2,300,386</b>	1,935,218
Under/(over) provision in prior years:		
Hong Kong profits tax	<b>2,815</b>	(98,628)
Other jurisdictions income tax	<b>(29,122)</b>	(11,261)
	<b>(26,307)</b>	(109,889)
Deferred tax, net	<b>35,142</b>	123,965
Income tax expenses for the year, net	<b>2,309,221</b>	1,949,294

Hong Kong profits tax is calculated at 16.5% (2021: 16.5%) of the estimated assessable profits. Income taxes arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

8. PROFIT FOR THE YEAR

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Profit for the year has been arrived at after charging/ (crediting):		
Employee benefits expense (including directors' emoluments):		
Staff costs	<b>6,021,770</b>	5,557,856
Contributions to retirement benefit plans	<b>350,718</b>	293,254
Share-based payment	<b>34,127</b>	44,540
	<b>6,406,615</b>	5,895,650
Depreciation of property, plant and equipment	<b>402,007</b>	415,391
Depreciation of right-of-use assets	<b>99,726</b>	68,725
	<b>501,733</b>	484,116
Amortisation of concession operating rights (included in costs of sales)	<b>168,262</b>	174,984
Amortisation of trademark and licences (included in administrative, selling and other operating expenses)	<b>17,693</b>	17,967
Short-term lease expense in respect of:		
Plant and machinery	<b>316,744</b>	375,037
Land and buildings	<b>33,194</b>	52,694
	<b>349,938</b>	427,731
Rental income from operating leases	<b>(118,559)</b>	(124,893)
Less: Direct operating expenses from property that generated rental income	<b>26,804</b>	20,540
Net rental income	<b>(91,755)</b>	(104,353)

## China State Construction International Holdings Limited

### 9. DIVIDENDS

	2022 HK\$'000	2021 HK\$'000
Dividends recognised as distributions during the year:		
2021 Final, paid – HK20.5 cents per share (2021: 2020 Final, paid – HK19 cents per share)	1,032,711	957,147
2022 Interim, paid – HK24 cents per share (2021: 2021 Interim, paid – HK20 cents per share)	1,209,028	1,007,523
	<u>2,241,739</u>	<u>1,964,670</u>

The final dividend of HK24 cents (2021: HK20.5 cents) per share amounting to approximately HK\$1,209,028,000 (2021: HK\$1,032,711,000) in aggregate, has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

### 10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2022 HK\$'000	2021 HK\$'000
<b>Earnings</b>		
Earnings for the purposes of basic and diluted earnings per share	<u>7,956,876</u>	<u>6,800,879</u>
	2022 '000	2021 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>5,037,617</u>	<u>5,039,788</u>

Diluted earnings per share is the same as basic earnings per share as the Company did not have any dilutive potential ordinary shares during the years ended 31 December 2022 and 2021.

**11. TRADE AND OTHER RECEIVABLES**

The analysis of trade and other receivables, including the ageing analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date or the term of the related contract, is as follows:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Trade receivables, net of allowance for doubtful debts, aged:		
0-30 days	<b>20,671,014</b>	23,896,383
31-90 days	<b>3,281,673</b>	3,588,257
Over 90 days	<b>69,308,598</b>	64,754,514
	<b>93,261,285</b>	92,239,154
Retention receivables	<b>5,597,664</b>	5,347,719
Other receivables	<b>20,256,913</b>	16,087,530
Trade and other receivables	<b>119,115,862</b>	113,674,403
Less: Current portion	<b>(65,830,023)</b>	(59,239,650)
Non-current portion (Note)	<b>53,285,839</b>	54,434,753

Note: The balances of non-current portion are mainly attributable to certain construction related investment projects in Mainland China. Certain balances are secured by the collateral from employers and interest bearing in accordance with the relevant contract terms. The amount is expected to be gradually and fully recovered from 2024 to 2032, with approximately HK\$17,693,939,000 in 2024, HK\$11,793,807,000 in 2025, HK\$7,994,621,000 in 2026, HK\$15,803,472,000 in 2027 to 2032. As a result, they are classified as non-current.

Included in the receivables aged over 90 days are receivables attributable to the construction related investment projects amounting to approximately HK\$50,960,828,000 (2021: HK\$52,112,570,000).

Retention receivables are interest free and recoverable at the end of the retention period of individual construction contracts ranging from 1 to 2 years. At 31 December 2022, the amount of retention receivables expected to be recovered after more than one year is approximately HK\$2,933,641,000 (2021: HK\$3,131,498,000).

Except for the receivables arising from construction contracts, including construction related investment projects which are billed and payable in accordance with the terms of relevant agreements, the Group generally allows an average credit period of not exceeding 90 days to its trade customers and the retention receivables are recoverable upon the expiry of defect liability period of construction.

**12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS**

An analysis of trade payables, other payables and accruals, including the ageing analysis of trade payables, presented based on the invoice date, is as follows:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Trade payables, aged:		
0-30 days	<b>42,992,914</b>	35,871,788
31-90 days	<b>1,562,303</b>	1,089,962
Over 90 days	<b>9,106,748</b>	9,684,973
	<b>53,661,965</b>	46,646,723
Retention payables	<b>6,820,303</b>	5,967,206
Other payables and accruals	<b>9,254,451</b>	7,947,435
	<b>69,736,719</b>	60,561,364

The average credit period on trade and construction cost payables is 60 days.

**13. BANK BORROWINGS**

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Bank borrowings, secured	<b>16,272,083</b>	18,474,397
Bank borrowings, unsecured	<b>42,904,781</b>	39,478,883
	<b>59,176,864</b>	57,953,280
Less: Current portion	<b>(13,719,657)</b>	(10,104,945)
Non-current portion	<b>45,457,207</b>	47,848,335
Carrying amount repayable:		
Within one year or on demand	<b>13,719,657</b>	10,104,945
More than one year but not exceeding two years	<b>16,551,708</b>	18,213,834
More than two years but not more than five years	<b>19,068,083</b>	21,216,807
More than five years	<b>9,837,416</b>	8,417,694
	<b>59,176,864</b>	57,953,280

The secured bank borrowings are secured by property, plant and equipment, interests in infrastructure project investments and trade receivables.

Bank borrowings are mainly denominated in HK\$ and Renminbi (“RMB”).

## **PROPOSED FINAL DIVIDEND**

The Board has recommended the payment of a final dividend for the year of 2022 of HK24 cents per share (2021: HK20.5 cents per share). Subject to the shareholders' approval of the proposed final dividend at the annual general meeting of the Company (the "AGM") to be held on Thursday, 8 June 2023, the final dividend will be paid on or about Thursday, 6 July 2023 to shareholders whose names appear on the register of members of the Company at the record date and time on Tuesday, 20 June 2023 at 4:30 p.m..

In order to qualify for the final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited ("Tricor"), at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 20 June 2023.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining shareholders' eligibility to attend and vote at the AGM, the register of members will be closed as set out below:

Latest time to lodge transfer documents for registration	4:30 pm on 2 June 2023
Closure of register of members	5 June 2023 to 8 June 2023 (both days inclusive)
Record date	8 June 2023

During the above closure period, no transfer of shares will be registered. To be eligible to attend and vote at the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged for registration with Tricor at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than the aforementioned latest time.



## **REVIEW OF OPERATION**

In 2022, the COVID-19 pandemic continued to spread, and its impact on the economy has not been eliminated. The occurring of geopolitical events such as the Russia-Ukraine conflict, high inflation and passive interest rate hikes in Europe and the United States intensified the further recession. Under the background of sluggish global economic recovery, China's economy has remained strong resilience, pandemic prevention and control measures have been actively optimised from time to time and as appropriate, policies of supporting the development have continuously been introduced, and economic growth remained stable. The economy of Hong Kong and Macau continued to be relatively sluggish in 2022, but as the customs clearance returns to normal, driven by the Mainland China, the economy of Hong Kong and Macau will be significantly enhanced, and the potential of Hong Kong and Macau will also be further released.

Facing the complex external environment, all the staff of the Group braved the challenges and assumed the obligations, focused on the implementation of the "14th Five-Year Plan" strategy, sped up the transformation and upgrading, and coordinated the steady qualitative improvement and reasonable quantitative growth. The expansion of sci-tech business in Mainland China has achieved remarkable results, the Group's leading position in Hong Kong and Macau markets has been consolidated, and the Group has successively obtained highly difficult projects in the facade market. In addition, the Group's various financial indicators have been steadily optimised, with moderate leverage ratio, and the operating cash flow during the year has achieved a historical positive, maintaining sound financial position and risk resistance ability and capability.

As of 31 December 2022, the Group's performance recorded a stable growth during the year, the audited revenue of the Group amounted to HK\$101,975 million, with an operating profit of HK\$12,846 million. The profit attributable to the owners of the Company increased by 17.0% to HK\$7,957 million, with basic earnings per share of HK\$1.58 and net asset value per share of HK\$13.46. The Board recommended the distribution of final dividend of HK24 cents per share for the year of 2022. The total dividend distributed throughout the year amounted to HK48 cents, representing a year-on-year growth of 18.5%.

### **Mainland China Market**

In 2022, China's economy experienced multiple pressures, and the infrastructure again played a key role in stabilizing growth. Looking back on the whole year, the Group continued to promote the optimization and adjustment of its investment business model. There were no long-term projects of more than 5 years in the newly signed investment contracts. The Group has further focused on the regions where it has competitive advantages and attached more importance to the regions with stable economic development outlook and strong long-term endogenous momentum. The Group fully exerted the "technology+" advantages including the rapid construction of Modular Integrated Construction ("MiC") to extensively expand the medical and pandemic prevention infrastructures, public facilities, affordable housing projects and other projects that were in urgent need everywhere, and obtained the high value-added and influential technology-driven projects. In terms of infrastructure operation, the Group has continuously improved its professional operation capacity and efficiency, accelerated the return of funds and formed an investment closed-loop. Throughout the year of 2022, the aggregate sum of newly signed contracts in Mainland China amounted to HK\$91,928 million, representing a year-on-year growth of 13.3%. The contracts backlog were also conducted as scheduled while the number of newly signed contracts increased. Despite the challenges of many external factors, the established completion and payment collection targets were still fulfilled as usual, with the operating cash flows improving comprehensively, and the quality of development enhancing.

### **Hong Kong and Macau Markets**

The economy of Hong Kong was seriously impacted by the fifth round of pandemic in early 2022. The Group at stake resolutely implemented the important directive spirit of President Xi Jinping on Hong Kong's anti-pandemic, initiatively organised all resources and forces, completed the construction tasks of the eight anti-pandemic projects in Hong Kong with the assistance of the central government in a rapid manner and in high quality, took the initiative to assume social responsibilities, and contributed to the anti-pandemic in Hong Kong. During the year, the Group fully exerted its advantages in technology, brand and others, made every effort to acquire a number of major government projects and premium private projects, such as the Chinese Medicine Hospital in Tseung Kwan O and the New Acute Hospital at Kai Tak, and continuously consolidated its competitive advantages and expanded its market share. The aggregate sum of newly signed contracts for the year amounted to HK\$44,896 million, representing a year-on-year growth of 24.8%. The project construction and delivery were progressed smoothly, particularly on the occasion of the 25th anniversary of Hong Kong's return to the motherland, the Hong Kong Palace Museum constructed by the Group officially opened and became a new cultural landmark.

In the Macau market, the Group has maintained its brand image with good contractual performance, constantly improved its reputation, obtained a number of landmark projects, and successfully won the bid for multiple prefabricated public housing projects launched by the local government; the main project of Macau Cotai Healthcare Complex was successfully completed during the year. Throughout the year of 2022, the aggregate sum of newly signed contracts by the Group in the Macau market amounted to HK\$13,775 million, roughly on the same level of last year.

### **Facade Market**

China State Construction Development Holdings Limited (“CSC Development”), a subsidiary of the Group, adhered to the operating strategy of “expanding Hong Kong and Macau, exploring the Mainland China and shrinking the overseas”. With its technical advantages, CSC Development focused on high-end owners and quality projects. During the year, CSC Development won the contract for the Macau Galaxy Resort and Casino Phase IV project with a contract value of HK\$2,240 million, which set a record for the largest contract value for a single facade in the world; CSC Development also won a number of facade projects for corporate headquarters and boutique stores, further expanded its market influence. In 2022, new contracts signed by CSC Development amounted to HK\$10,127 million, representing a year-on-year increase of 23.4%.

### **Sustainable Development Management**

During the year, the Group continued to focus on improving the governance level of its sustainable development in all aspects. The Sustainable Development Committee fully performed its role and the level of diversity of the Board of Directors has been increasing. The Group synchronised the release of its ESG report with its annual report one year ahead of schedule and further improved the quality of voluntary information disclosure. The Group’s first carbon neutrality project under construction (namely, the Hong Kong Organic Resource Recycling Centre Phase II (O·PARK2)), and Guizhou Zhengxi Expressway project, released their respective project ESG reports to showcase their emission reduction results. The O·PARK2 project was successfully completed in the year and has purchased carbon credits for carbon neutrality offsetting through Core Climate, the carbon trading market of Hong Kong Exchanges and Clearing Limited (“HKEx”). The transaction was one of the first carbon transactions and the first carbon trading case with the purpose of offsetting carbon emissions in Core Climate, and was awarded the “Outstanding Carbon Neutrality Enterprise in Hong Kong International Carbon Market” by HKEx. The Group was awarded the “CarbonCare® ESG Label” for the seventh consecutive year by Hong Kong CarbonCare InnoLab, and was awarded the highest ranking of the Label at the Level 4 for the fifth consecutive year. Moreover, the Group was included in the “FTSE4Good Index” for the sixth consecutive year. The Group’s sustainable development performance was once again recognised by authoritative awards and indices.

### **Risk Management**

The Group has established a risk management structure with clear hierarchy of responsibilities. The Board of Directors is responsible for the risk management and internal control system of the Group and oversees the implementation of the system by management. The Group’s audit department, which is independent of each business segment, regularly reviews the Group’s risk management and internal control system and makes recommendations for improvement to rectify any deficiencies and weaknesses identified. The Group has also set up a risk management team to identify and assess the strategic, financial, market and operational risks of each business segment. During the year, the Group continued to carry out internal control construction and internal control inspections in depth and made conclusion timely. By making up the shortcomings of the system, improving business processes and strengthening system enforcement, the concept and awareness of corporate compliance has been significantly enhanced.

### **Financial Management**

In 2022, the Group maintained sound financial management. The Group's operating cash flow returned to positive, further contributing the optimization of the financial structure. The Group seized the RMB financing window and issued three medium-term notes at record low interest rates, effectively hedging the financial costs pressure of rising foreign currency interest rates, and continued to increase the proportion of RMB in its debt balance, further reducing exchange rate risk. The Group actively utilised green financial instruments to facilitate business development. During the year, the Group issued RMB green medium-term notes for the first time, which is the first green bond issued with the highest grade of certification for prefabricated construction nationwide. The Group also timely withdrew its equity interest in certain projects with long lead times to effectively revitalise its stock of assets and accelerate its turnover. CSC Development completed an issuance of 100 million shares at a premium, with the participation of several investment institutions, reflecting the capital market's recognition of the business prospects of CSC Development.

The Group is currently in a good financial condition. As of 31 December 2022, the cash on hand amounted to HK\$23,881 million, accounting for 10.4% of total assets. The net gearing ratio was controlled at 69.4% and the unutilised bank credit facilities were HK\$91,430 million, representing an increase of 11.4% as compared with that of the corresponding period in the previous year.

### **Human Resources**

The Group understands that talents are the key to the long-term prosperity and development of an enterprise. During the year, the Group recruited extensively through various channels, launched presentations at overseas universities for the first time, and offered competitive salaries and benefits to its employees. The Group established a regular training mechanism and set up a three-tier training course system, including company-level branding courses, professional courses for each line and internal training courses of subsidiaries. More than 4,000 participants attended the trainings, making the development of talents and enterprise development go hand in hand. During the year, the Group continued to strengthen cooperation with academic experts, established the first academician expert workstation in Hong Kong, successfully held the 2022 Annual Expert Committee Working Meeting, at which the Group held the inauguration ceremony for the Rapid Construction Institute and the Green Low Carbon Research Center. The Group will continue to relentlessly cultivate internal talents and actively adopt the opinions of external experts, and make full use of the talents of its staff to help the corporate growth.

### Technological Innovation

Technology is one of the strategic cores of the Group and the key to enable the Group to break away from the “Red Sea” competition. In 2022, the research and development investment of the Group was HK\$363 million, and will continue to increase steadily. New technology-driven contracts signed during the year amounted to HK\$51,590 million, accounting for 32.1% of the new contract awarded, representing a year-on-year increase of 70.6%. The empowerment effect of technological advantages on business development has been further highlighted. The Group has undertaken a large number of landmark technological innovation projects such as the first 100-meter-high concrete MiC project in Mainland China, the highest single steel structure MiC project under construction and the first high-rise building elevator installation project with double-cab MiC technology. CSC Development has established the “Intelligent Curtain Wall Research Center”, released the Light S series of photovoltaic curtain wall integration (BIPV) products, and continued to develop Light A and Light G products. The Group hosted the second BEYOND International Innovation Expo Sustainable Development Summit, at which a number of construction technology products were released and which received much attention and praise. During the year, the Group obtained 112 patents. The North Lantau Hospital Hong Kong Infection Control Centre project undertaken by the Group won the overseas Luban Prize, the project of “Research and Demonstration of Integrated Production and Installation Technologies for Architecture, Structure, Electromechanical, Decoration and Components” won the second prize of Anhui Provincial Science and Technology Progress Award, and the research and application achievements of MiC key technology were rated as the top ten new technologies of project management in 2022 by China Association of Construction Enterprise Management. The outstanding scientific and technological strength of the Group has been frequently recognised externally. In the future, the Group will continue to strengthen the research and development and promotion of construction technology, and accelerate the transformation and application of technological achievements.

## **REVIEW OF FINANCIAL PERFORMANCE**

Profit attributable to owners of the Company was HK\$7,957 million, represents a year-on-year increase of 17.0%. HK\$212 million net cash inflow from operating activities.

### **Overall Performance**

During the year, Hong Kong segment undertook a large number of construction projects related to epidemic prevention. Coupled with the natural growth of all segments, the scale of the Group continued to expand, and the revenue exceeded HK\$100 billion for the first time.

The Group's revenue increased by 31.9% to HK\$101,975 million. Basic earnings per share was HK\$1.58, a year-on-year rise of 17.0%. With a proposed final dividend per share of HK24 cents, an interim dividend per share of HK24 cents paid in the year, the total dividends for the year amount to HK48 cents per share, representing an increase of 18.5% as compared to last year.

During the year, Hong Kong, Macau and Mainland China remained the core markets and the major contributors of the Group, accounted for 36.5%, 10.3% and 47.7% of the Group's revenue, respectively. In Hong Kong and Macau, the Group focused on the construction business in both private and public sectors, and further consolidated its leading position in the field by our continued strong performance. In Mainland China, the Group mainly focused on construction related investment projects, its sustained scale growth is underpinned by its strong business execution and customer's satisfaction. CSC Development Group mainly focused on facade contracting business. This listed subsidiary is currently managed by a separate management team and thus is considered as a distinct business unit of the Group.

An analysis of major income statement items for the year is set out in the following paragraphs:

### ***Hong Kong and Macau***

#### ***Construction and Related Business***

At the beginning of 2022, Hong Kong experienced the fifth wave of the pandemic situation with a record-breaking hike in the number of confirmed cases. The Group has against this difficulty and fulfill its social civic responsibility. In order to cooperate with the pandemic prevention work, the Group has undertaken a large number of construction projects related to pandemic prevention. Together with the organic growth of other orders, it helps to push up Hong Kong segment revenue to HK\$37,214 million, up by 56.1% as compared to HK\$23,844 million for last year. Due to the increase of scale, segment result amounted to HK\$1,271 million, up by 49.5% as compared to HK\$850 million for last year.

With the contribution of large-scale hospital and hotel projects, Macau's revenue recorded new high to HK\$10,542 million, up by 25.4% as compared to HK\$8,405 million for last year. Segment profit dropped 34.6% to HK\$544 million as compared to HK\$832 million for last year. This is because profit of several large-sized projects has not been accrued as they were still in the preliminary stage.

## **China State Construction International Holdings Limited**

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### ***Mainland China***

The Group adhered to the business transformation strategy in Mainland China, selects high-quality markets such as the Yangtze River Delta and the Greater Bay Area, and continues to expand infrastructure investment projects with short cycles and rapid turnover. Revenue and segment result from Mainland China rose by 20.0% and 17.1% year-on-year to HK\$48,631 million and HK\$10,284 million, respectively.

#### ***(1) Construction Related Investment Projects***

Our construction related investments projects span over different kinds of business, including investment and construction of toll road, toll bridge and a variety of housing project, such as affordable housing, hospital and school. The Group continued to optimise the project mix on hand, increased participation in government targeted repurchase projects and other shorter cash payback cycle project in order to accelerate capital turnover. During the year, the Group increased efforts on cash collection and received buy-back payment of HK\$31,690 million (2021: HK\$25,508 million) from construction related investment project, including the attributable share of such payment received by our joint venture investments, up by 24.2%.

Construction related Investment Projects remained the core business and the major contributor of Mainland China. Revenue and result grow at 18.6% and 6.5% over last year to HK\$46,846 million (2021 : HK\$39,489 million) and HK\$9,365 million (2021: HK\$8,795 million) respectively.

#### ***(2) Operation Infrastructure Projects***

Operation Infrastructure Projects represents toll road operation. This sector still affected by pandemic, the revenue from Operating Infrastructure Projects excluding contribution from joint venture was HK\$152 million, dropped by 25.9% as compared to HK\$205 million for last year.

#### ***(3) Other Business***

Other business mainly represents contribution from industrial plant reconstruction, prefabricated construction industrialisation factories and other business such as project management services. This sector recorded impressive growth in segment revenue due to the increase of MiC business, amounted HK\$1,633 million as compared to HK\$836 million for the last year.

### ***China State Construction Development Holdings Limited***

CSC Development Group focused on the facade contracting business, general contracting business and operating management business. CSC Development Group further solidified its leading position in the market of Hong Kong and Macau and continues to expand its market in Mainland China and other regional markets. During the year, both revenue and result continued to do well.

## **Cash Flows Analysis**

Following the improvement momentum in operating cash flow due to the successful of business transformation in Mainland China since last year, operating cash flow has turned from HK\$551 million net outflow in last year into HK\$212 million net inflow during the year. Besides, the Group is committed to improving liquidity, disposed some low-turnover assets for the year, generated HK\$501 million net cash inflow from investing activities (2021: net cash outflow HK\$4,938 million). The net cash outflow in financing activities was HK\$527 million (2021: net cash inflow HK\$6,964 million).

## **UNAUDITED OPERATING INFORMATION**

For the twelve months ended 31 December 2022, the Group recorded an accumulated new contract value of HK\$160,726 million.

As of 31 December 2022, the in progress contract value of the Group amounted to approximately HK\$522,633 million, among which the backlog was approximately HK\$294,527 million.

### **New Contracts Awarded & Project in Progress in 2022**

<b>Market</b>	<b>New Contract Awarded For the Twelve Months ended 31 December 2022</b> (HK\$ million)	<b>Project in Progress as of 31 December 2022</b>	
		<b>Total Value</b> (HK\$ million)	<b>Backlog</b> (HK\$ million)
Mainland China	91,928	328,367	193,823
Hong Kong	44,896	110,733	63,041
Macau	13,775	57,425	24,260
CSC Development Group	10,127	26,108	13,403
Total	160,726	522,633	294,527

## **BUSINESS OUTLOOK**

In 2022, the Group actively explored the market, vigorously promoted technological research and development, maintained financial stability, constantly improved the performance of sustainable development, successfully completed the business development objectives, and further improved the operation quality. Looking forward to 2023, the global economy will continue to face many uncertainties. Opportunities and challenges coexist as recovery and recession intersect in different regions. Looking forward, we hope to create more “certainty” by virtue of our own technological advantages, refined management and efficient implementation, and continue to create value for shareholders and society.



## **China State Construction International Holdings Limited**

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In terms of technology, we will continue to strengthen the research and development and implementation of construction technology, increase the proportion of new contracts driven by technology, seize the opportunity of changes in national industrial policies and market environment, and promote the reform of the construction industry. In the Mainland China market, we will continue to focus on cash flow, and undertake investments with good return prospects. On the basis of ensuring the lifeline of cash flow, we will select high-quality projects along with the idea of transformation and upgrading, and focus on advantageous areas. The Hong Kong market has benefited from the economic recovery after the pandemic. The government has taken the initiative to speed up the constant implementation of plans such as land supply, public housing construction, the new 10-year development plan for hospitals and even the longer-term plans for Lantau and the northern metropolitan area in the future, which are expected to bring new opportunities for development. Macau's economy has recovered from the trough. With border opened and the support from the central government, economic growth is likely to be out of "scissors-like gap" with the world, and new business opportunities will continue to emerge.

The Group is confident that as China enters a new stage of pandemic prevention and control, its economic and social vitality will be further released, and it will continue to become the "stabiliser" of world economic recovery and the "engine" of world economic growth. We have gone through the most difficult time, and the new year will be full of vitality. The Group will adhere to the "14th Five-Year Plan" strategy, persist in building differentiated competitiveness with technological advantages to enable stable growth, and strive to create a new situation for high quality development.

### **ANNUAL GENERAL MEETING**

The AGM will be held on Thursday, 8 June 2023. The notice of the AGM, which constitutes part of a circular, will be despatched to the shareholders of the Company together with the 2022 annual report.

### **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE GROUP**

#### **Issue of Listed Securities**

During the year, a subsidiary of the Company completed its public issuance of the following medium-term notes in the People's Republic of China which were listed on the Inter-bank Bond Market:

<b>Date</b>	<b>Principal Amount (RMB)</b>	<b>Coupon Rate per annum</b>	<b>Maturity</b>
2 April 2022	960 million	2.98%	3 years
27 April 2022	1,500 million	3.09%	3 years
19 August 2022	1,040 million	2.70%	5 years

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During the year, Add Treasure Holdings Limited, a wholly-owned subsidiary of the Company, completed placing and subscription of 100,000,000 shares of CSC Development respectively. For further details, please refer to the joint announcement of the Company and CSC Development dated 24 June 2022 in relation to the completion of the placing and the subscription.

### **Redemption of Listed Securities**

On 29 November 2022, China State Construction Finance (Cayman) II Limited, a wholly-owned subsidiary of the Company, redeemed all of the outstanding US\$550,000,000 3.375% guaranteed notes due 2022 upon their maturity at their principal amount.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Group during the year ended 31 December 2022 and up to the date of this announcement.

## **CORPORATE GOVERNANCE**

During the year, the Company has applied and complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a model code for securities transactions by directors and relevant employees (the “Securities Code”) on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules. Directors and relevant employees of the Company are required to comply with the Securities Code. Reminders are sent to directors and relevant employees that they should not deal in the shares of the Company during the “black-out-period” specified in the Securities Code and before publishing any inside information announcement. Directors and relevant employees are required to notify the Company and obtained a dated written acknowledgement before dealing in the securities of the Company. After making enquiries by the Company, all directors and relevant employees confirmed that they have complied with the Securities Code during the year ended 31 December 2022.

## **REVIEW OF ACCOUNTS**

The Audit Committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2022.

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in this announcement have been agreed by the independent auditor of the Company, Ernst & Young (“EY”), to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong

## **China State Construction International Holdings Limited**

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Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by EY on this announcement.

### **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

On 1 January 2022, the Listing Rules were amended by, among others, adopting a uniform set of 14 core standards for shareholder protections for issuers regardless of their place of incorporation set out in Appendix 3 to the Listing Rules.

As such, the Board proposes to make certain amendments to the memorandum and articles of association of the Company (the “Memorandum and Articles of Association”) in order to (i) conform to the said core standards for shareholder protections; (ii) bring the Memorandum and Articles of Association in line with the relevant requirements of the applicable laws of the Cayman Islands; (iii) supplement the arrangements for general meetings to be held as an electronic meeting or a hybrid meeting; and (iv) incorporate certain housekeeping changes. The Board also proposes to adopt the new Memorandum and Articles of Association in substitution for, and to the exclusion of, the existing Memorandum and Articles of Association.

The proposed amendments to the Memorandum and Articles of Association shall be subject to the passing of a special resolution by the shareholders of the Company at the AGM. A circular containing, among others, details of the proposed amendments to the Memorandum and Articles of Association and a notice convening the AGM will be despatched to the shareholders of the Company together with the 2022 annual report as soon as practicable.

### **ACKNOWLEDGEMENT**

With this opportunity, I would like to express my sincere gratitude to the Board for its brilliant leadership, to the partners and investors for their strong supports, to other members of the society for their generous assistances, and to all our staff for their hard works.

By Order of the Board  
**China State Construction  
International Holdings Limited**  
**Zhang Haipeng**  
*Chairman and Executive Director*

Hong Kong, 21 March 2023

*As at the date of this announcement, the Board comprises Mr. Zhang Haipeng as Chairman and Executive Director; Mr. Yan Jianguo and Mr. Chen Xiaofeng as Non-executive Directors; Mr. Wang Xiaoguang (Chief Executive Officer), Mr. Zhou Hancheng and Mr. Hung Cheung Shew as Executive Directors; and Mr. Adrian David Li Man Kiu, Dr. Raymond Leung Hai Ming, Mr. Lee Shing See and Ms. Wong Wai Ching as Independent Non-executive Directors.*