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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)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
WITH CHINA OVERSEAS LAND & INVESTMENT LIMITED
IN RELATION TO SUPPLY OF MATERIALS**

Reference is made to the announcements of the Company dated 28 April 2021 and 3 May 2022 in relation to, among other things, the Existing Framework Agreement entered into between the Company and COLI which will expire on 30 June 2024.

It is contemplated that the Group will continue to invite the COLI Group to participate in competitive tender as the supplier of the Materials for the Projects from time to time. As the Existing Framework Agreement is due to expire on 30 June 2024, on 30 April 2024, the Company and COLI entered into the New Framework Agreement whereby (i) the COLI Group may supply the Materials for the Projects upon the Group's request in accordance with the tendering procedures of the Group from time to time for a term of three years commencing from 1 July 2024 and ending on 30 June 2027 (both dates inclusive) subject to the Caps; and (ii) the Group may engage the COLI Group as supplier of the Materials for the Projects upon the COLI Group's successful tender.

As at the date of this announcement, CSCEC is the ultimate holding company of COHL which, in turn, is the controlling shareholder of both the Company and COLI by virtue of it being interested in approximately 64.81% of the issued share capital of the Company and approximately 56.10% of the issued share capital of COLI. Accordingly, members of the COLI Group are connected persons of the Group and the transactions contemplated under the New Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since all the applicable percentage ratios as defined under the Listing Rules calculated for the Company in respect of the highest Cap are more than 0.1% but less than 5%, the transactions contemplated under the New Framework Agreement are subject to the reporting, announcement and annual review requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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NEW FRAMEWORK AGREEMENT

Date

30 April 2024

Parties

1. The Company; and
2. COLI.

Subject matter

Pursuant to the New Framework Agreement, the Company and COLI agreed, among other things, that:

- (a) the COLI Group may tender for the supply of the Materials for the Projects as supplier of the Group in accordance with the tendering procedures of the Group from time to time and on the same and normal terms as offered to other independent third party suppliers;
- (b) if any contract is granted in favour of the COLI Group as a result of the above tender, the COLI Group may act as supplier of the Materials for the Projects based on the terms of the successful tender provided that the maximum total contract sums in respect of the supply of the Materials for the Projects that may be awarded by the

Group to the COLI Group shall not exceed RMB500 million (approximately HK\$549 million) for the period between 1 July 2024 and 31 December 2024, RMB1,200 million (approximately HK\$1,319 million) for the year ending 31 December 2025, RMB1,400 million (approximately HK\$1,538 million) for the year ending 31 December 2026, and RMB900 million (approximately HK\$989 million) for the period between 1 January 2027 and 30 June 2027 (i.e. the Caps);

- (c) the amounts in respect of the supply of the Materials for the Projects payable by the Group to the COLI Group will be settled pursuant to the payment terms set out in the tender documents for the relevant contracts for the supply of such Materials.

Calculation of the Caps

The Caps are calculated with reference to the following factors:

- (a) the total contract sum for the procurement of the Materials by the Group in connection with the Projects for the financial year ended 31 December 2021 of approximately RMB134 million (approximately HK\$147 million), for the financial year ended 31 December 2022 of approximately RMB530 million (approximately HK\$582 million), for the financial year ended 31 December 2023 of approximately RMB259 million (approximately HK\$285 million), and for the period from 1 January 2024 to 31 March 2024 of approximately RMB0.68 million (approximately HK\$0.75 million);
- (b) the estimated total contract sum for the procurement of the Materials potentially required by the Group in connection with the Projects, with reference to the Projects in hand and potential new Projects that the Group may acquire during the periods;
- (c) the estimated total contract sum for the Group's procurement of the Materials for the Projects for which the Group will invite the COLI Group to participate in competitive tenders, taking into account the numbers and size of the potential new Projects; and
- (d) a certain percentage of buffer for the increase in potential demands of the Group.

The contract sums under the New Framework Agreement will be satisfied by the Group in cash from its general working capital.

Pricing Basis

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 suppliers of the Group.

The Group will normally invite suppliers to participate in competitive tenders for the Projects as supplier in accordance with its tendering procedures.

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

The prices and terms of the tenders awarded by members of the Group to members of the COLI Group for the supply of the Materials for the Projects are subject to the standard and systematic tender procedures maintained by the Group, which apply to tenders submitted by both connected persons and independent third parties to ensure that the price and terms of the tender awarded by the Group to the COLI Group are no more favourable than those awarded to independent third parties.

Tendering Procedures for Supply of Materials

Below set out the Group's tendering procedure for selecting and appointing a supplier of the Materials to the Group:

1. Formulation of list of approved suppliers of the Materials: The Group will establish its own list of approved suppliers of the Materials (the "List of Approved Suppliers"). The suppliers will be subject to evaluation and review of their qualifications including but not limited to the suppliers' scale, financial ability, technical capability and track record of supplying the Materials. Suitable suppliers will be included in the List of Approved Suppliers after the above vetting process.
2. Drawing up of Invitation to Tender documents: The relevant subsidiary of the Group is responsible for drawing up specifications and requirements for the invitation to tender (the "Invitation to Tender"), based on a typical Invitation to Tender template and the specific requirements for the Project.
3. Issue of tender: The Invitation to Tender is required to be sent to no less than three selected suppliers from the List of Approved Suppliers for a tender.
4. Preparation of tender: Bidders will prepare the tender documents in accordance with the timetable stipulated in the Invitation to Tender, taking into account the specifications and requirements as set out in the Invitation to Tender, and physical due diligence of the Group's construction site.

5. Tender submission: The tender documents submitted by the bidders are required to contain information on the proposed pricing, proposal and plan for the relevant supply of Materials, and other corporate information as specified in the Invitation to Tender.
6. Tender evaluation: The tender evaluation process and the composition of the tender evaluation committee of the Group (the “Tender Evaluation Committee”) will comply with the relevant requirements under the applicable laws and regulations.
7. Award: The Tender Evaluation Committee will evaluate the tenders based on the specifications and requirements of the Invitation to Tender. The winning bid will usually be the one with the Materials conforming to the technical requirements with a reasonable and minimum price offered. The relevant letter of award will be issued once the final decision is made in the meeting of the Tender Evaluation Committee based on the final tender amount.
8. Contract signing: The contract of the relevant supply of Materials so awarded is expected to be signed within 30 days of the award.

The above tendering procedures and the steps involved may be simplified and streamlined depending on the size of the Project and the expected contract amount involved.

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

The COLI Group, being one of the largest property developers, usually purchases the Materials in bulk quantities. The entering into of the New Framework Agreement continues to provide the Group with a more diverse base of suppliers for the provision and supply of Materials to the Group, and if upon successful tender awarded to the COLI Group, allows the Group to enjoy a greater volume discount which is applied to the COLI Group’s bulk purchase.

The directors of the Company (including the independent non-executive directors of the Company) consider that the transactions contemplated under the New Framework Agreement are expected to be entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm’s length negotiations between the parties, the New Framework Agreement (together with the Caps) 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 New Framework Agreement (together with the Caps) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL

The Group is principally engaged in construction business, infrastructure investments and prefabricated constructions.

The COLI Group is principally engaged in property development, commercial property operations and other business.

CSCEC is the ultimate holding company of each of COHL, the Company and COLI. CSCEC, together with its subsidiaries (excluding those listed on any stock exchange), is a conglomerate principally engaged in building construction, international contracting, real estate development and investment, infrastructure construction and investment and design and prospecting.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CSCEC is the ultimate holding company of COHL which, in turn, is the controlling shareholder of both the Company and COLI by virtue of it being interested in approximately 64.81% of the issued share capital of the Company and approximately 56.10% of the issued share capital of COLI. Accordingly, members of the COLI Group are connected persons of the Group and the transactions contemplated under the New Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since all the applicable percentage ratios as defined under the Listing Rules calculated for the Company in respect of the highest Cap are more than 0.1% but less than 5%, the transactions contemplated under the New Framework Agreement are subject to the reporting, announcement and annual review requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the directors of the Company has any material interest in the New Framework Agreement and the transactions contemplated thereunder and no director is required to abstain from voting on the Board resolution(s) approving the entering into of the New Framework Agreement (together with the Caps) and the transactions contemplated thereunder. Mr. Zhang Haipeng, being the chairman and executive director of the Company and a director of COHL and Mr. Yan Jianguo, being non-executive director of the Company, the chairman and executive director of COLI and the chairman and president of COHL, have voluntarily abstained from voting on the Board resolution(s) approving the entering into of the New Framework Agreement (together with the Caps) and the transactions contemplated thereunder.

Shareholders of the Company should note that the Caps represent the best estimates by the directors of the Company of the amount of the relevant transaction based on the information currently available. The Caps bear no direct relationships to, nor should be taken to have any direct bearings to, the Group's financial or potential financial performance. The Group may or may not retain the COLI Group to supply the Materials for the Projects up to the level of the Caps, if at all, as the supplies are subject to tendering procedures which are open to other independent third party suppliers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of directors of the Company;
“Cap(s)”	the maximum total contract sum that may be awarded by the Group to the COLI Group for the supply of Materials for the Projects by the COLI Group to the Group for each period or year under the New Framework Agreement;
“COHL”	China Overseas Holdings Limited (中國海外集團有限公司), a company incorporated in Hong Kong with limited liability, and the controlling shareholder of both the Company and COLI;
“COLI”	China Overseas Land & Investment Limited (中國海外發展有限公司), a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 688);
“COLI Group”	COLI and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange and their respective subsidiary(ies), if any) from time to time;
“Company”	China State Construction International Holdings Limited (中國建築國際集團有限公司), 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);

<p>“connected person(s)”, “continuing connected transaction(s)”, “controlling shareholder(s)”, “percentage ratios” and “subsidiary(ies)”</p>	<p>each has the meaning ascribed to it under the Listing Rules;</p>
<p>“CSCEC”</p>	<p>中國建築集團有限公司 (China State Construction Engineering Corporation*), a limited liability company organised and existing under the laws of the PRC, and the ultimate holding company of each of COHL, the Company and COLI;</p>
<p>“Existing Framework Agreement”</p>	<p>the framework agreement and the supplemental agreement entered into between the Company and COLI on 28 April 2021 and 3 May 2022 respectively in respect of the supply of Materials for the Projects by the COLI Group to the Group from time to time for a term of three years commencing from 1 July 2021 and ending on 30 June 2024 (both dates inclusive);</p>
<p>“Group”</p>	<p>the Company and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange and their respective subsidiary(ies), if any) from time to time;</p>
<p>“HK\$”</p>	<p>Hong Kong dollars, the lawful currency of Hong Kong;</p>
<p>“Hong Kong”</p>	<p>the Hong Kong Special Administrative Region of the PRC;</p>
<p>“Listing Rules”</p>	<p>the Rules Governing the Listing of Securities on the Stock Exchange;</p>
<p>“Materials”</p>	<p>civil-works, electromechanical and renovation items, goods or materials;</p>
<p>“New Framework Agreement”</p>	<p>the framework agreement entered into between the Company and COLI on 30 April 2024 in respect of the supply of Materials for the Projects by the COLI Group to the Group from time to time for a term of three years commencing from 1 July 2024 and ending on 30 June 2027 (both dates inclusive);</p>
<p>“PRC”</p>	<p>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;</p>

“Project(s)”	construction project(s) of the Group;
“RMB”	Renminbi, the lawful currency of PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; 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 RMB0.91 = 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 name of the PRC entity referred to in this announcement is translation from its Chinese name and is for identification purpose only. If there is any inconsistency, the Chinese name shall prevail.*

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

Hong Kong, 30 April 2024

As at the date of this announcement, the Board comprises Mr. Zhang Haipeng as Chairman and Executive Director; Mr. Yan Jianguo as Non-executive Director; Mr. Wang Xiaoguang (Chief Executive Officer) and Mr. Hung Cheung Shew as Executive Directors; and Dr. Raymond Leung Hai Ming, Ms. Wong Wai Ching and Mr. Chan Tze Ching Ignatius as Independent Non-executive Directors.