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# 中國建築國際集團有限公司

## CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)  
(Stock Code: 3311)

### CONNECTED TRANSACTION FORMATION OF JOINT VENTURE COMPANY

The Board hereby announces that on 16 October 2024, the Parties entered into a Shareholders' Agreement for the formation of the JV Company in Beijing, the PRC.

As at the date of this Announcement, CSCECL is the intermediary holding company of the Company, and CSCEE is an indirect wholly-owned subsidiary of CSCECL. Accordingly, pursuant to Chapter 14A of the Listing Rules, CSCEE is an associate of CSCECL and a connected person of the Company, and the formation of the JV Company constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios in respect of the formation of the JV Company exceed 0.1% but are less than 5%, the formation of the JV Company is subject to the reporting and announcement requirements but is exempted from Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

### FORMATION OF JOINT VENTURE

The Board hereby announces that on 16 October 2024, the Parties entered into a Shareholders' Agreement for the formation of the JV Company in Beijing, the PRC.

The JV Company will be principally engaged in sewage treatment and recycling, water pollution control and municipal facilities management, etc..

According to the Shareholders' Agreement, the total registered capital of the JV Company will be RMB760,792,800, and the contributions of the Parties are as follows:

Parties	Contributions to registered capital RMB	Shareholding proportion Approximately
Beijing Beipai	395,612,200	52%
Beijing Drainage	7,607,900	1%
CSCEE	74,557,700	9.8%
Beijing Haiyao Construction (a wholly-owned subsidiary of the Company)	266,277,500	35%
CSCIE (a wholly-owned subsidiary of the Company)	760,800	0.1%
BMEDI	760,800	0.1%
Beijing Yizhuang Environment	15,215,900	2%

Pursuant to the Shareholders' Agreement, the Parties agree that the Parties shall contribute 10% of their respective share of registered capital in full within 90 days from the date of the formation of the JV Company, and then simultaneously contribute their remaining share of registered capital in proportion to their respective shareholding according to the progress of the engineering construction project carried out by the JV Company, and contribute it in full before 31 December 2027. The capital commitment of the Parties shall be capped at the amount of their respective share of capital contribution and no guarantee or credit enhancement will be provided by the Parties for the financing of the JV Company.

The respective contribution of the Parties to the registered capital of the JV Company are determined after arm's length negotiations between the Parties with reference to the proposed capital requirements of the JV Company and the shareholding proportion of the Parties. The capital contribution of Beijing Haiyao Construction and CSCIE in the JV Company will be funded by internal resources. Following the formation of the JV Company, the Group will hold in aggregate approximately 35.1% equity interests in the JV Company. As such, the JV Company will not become a subsidiary of the Company and its financial statements will not be consolidated into the financial statements of the Company.

The board of directors of the JV Company shall be composed of seven directors, four, one and two of whom shall be nominated by Beijing Beipai, CSCEE and Beijing Haiyao Construction, respectively. The chairman of the JV Company shall be the director nominated by Beijing Beipai.

The supervisory committee of the JV Company shall be composed of three supervisors, Beijing Yizhuang Environment and Beijing Beipai shall each nominate one supervisor, and the employees shall elect one supervisor. The chairman of the supervisory committee of the JV Company shall be a candidate nominated by Beijing Yizhuang Environment.

## **REASONS FOR AND BENEFITS OF THE FORMATION OF JV COMPANY**

The purpose of formation of the JV Company is to invest, construct and operate a reclaimed water plant project in Beijing, which is expected to have a total gross floor area of approximately 150,000 square meters, a civil engineering scale of approximately 500,000 cubic meters per day, and an equipment installation scale of approximately 350,000 cubic meters per day. The formation of the JV Company is in line with the Group's strategy of continuing to strengthen its construction technology business and construction business related to environmental protection, and is expected to provide the Group with relatively stable and long-term revenue.

Directors (including the independent non-executive Directors) consider that the formation of the JV Company is in the ordinary and usual course of business of the Group, the terms of which are normal commercial terms determined after arm's length negotiations between the Parties, are fair and reasonable and in the interests of the Company and its shareholders as a whole. None of the Directors has any material interest in the formation of the JV Company and no Director is required to abstain from voting on the relevant Board resolution(s). However, Mr. Zhang Haipeng, being the chairman and executive director of the Company and a director and president of COHL, and Mr. Yan Jianguo, being non-executive director of the Company and the chairman of COHL, have voluntarily abstained from voting on the Board resolution(s) approving the entering into of the Shareholders' Agreement and the transactions contemplated thereunder (including the formation of the JV Company).

## **GENERAL**

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

Beijing Beipai is principally engaged in project investment, professional contracting, sewage treatment, municipal facilities management and water pollution control, etc., and its ultimate beneficial owner is the Beijing Government. To the best of the Director's knowledge, information and belief and having made all reasonable enquiries, Beijing Beipai and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Beijing Drainage is principally engaged in the investment, construction, operation and management of urban infrastructure, investment management, project construction management and operation and maintenance of public facilities, and its ultimate beneficial owner is the Beijing Government. To the best of the Director's knowledge, information and belief and having made all reasonable enquiries, Beijing Drainage and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

CSCEE is an indirect wholly-owned subsidiary of CSCECL (an intermediate holding company of the Company), and its ultimate beneficial owner is 中國建築集團有限公司 (China State Construction Engineering Corporation\*), a company incorporated in the PRC with limited liability and the ultimate holding company of each of CSCECL, COHL and the Company. It is principally engaged in construction engineering, water pollution control, water environmental pollution prevention and control services, and sewage treatment and recycling.

Beijing Haiyao Construction, a wholly-owned subsidiary of the Company, is principally engaged in infrastructure investment and construction.

CSCIE, a wholly-owned subsidiary of the Company, is principally engaged in building construction, civil engineering and investment holding.

BMEDI is principally engaged in construction engineering design and construction engineering surveying, and its ultimate beneficial owner is the Beijing State-owned Assets Supervision and Administration Commission. To the best of the Director's knowledge, information and belief and having made all reasonable enquiries, BMEDI and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Beijing Yizhuang Environment is principally engaged in technology development, technology transfer, technology consultation, investment, investment management and sewage treatment and recycling in the field of environmental technology, and its ultimate beneficial owner is the Beijing Economic-Technological Development Area Management Committee. To the best of the Director's knowledge, information and belief and having made all reasonable enquiries, Beijing Yizhuang Environment and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this Announcement, CSCECL is the intermediary holding company of the Company, and CSCEE is an indirect wholly-owned subsidiary of CSCECL. Accordingly, pursuant to Chapter 14A of the Listing Rules, CSCEE is an associate of CSCECL and a connected person of the Company, and the formation of the JV Company constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios in respect of the formation of the JV Company exceed 0.1% but are less than 5%, the formation of the JV Company is subject to the reporting and announcement requirements but is exempted from Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“associate(s)”, “connected person(s)”, “connected transaction(s)”, “controlling shareholder”, “holding company”, “percentage ratio(s)” and “subsidiary(ies)”	each has the meaning ascribed to it in the Listing Rules;
“Beijing Beipai”	北京北排產業發展集團有限責任公司 (Beijing Beipai Industrial Development Group Co., Ltd.*), a company incorporated in the PRC with limited liability;
“Beijing Drainage”	北京城市排水集團有限責任公司 (Beijing Drainage Group Co., Ltd.*), a company incorporated in the PRC with limited liability;
“Beijing Haiyao Construction”	北京海耀建設發展有限公司 (Beijing Haiyao Construction Development Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Beijing Yizhuang Environment”	北京亦莊環境科技集團有限公司 (Beijing Yizhuang Environmental Technology Group Co., Ltd.*), a company incorporated in the PRC with limited liability;
“BMEDI”	北京市市政工程設計研究總院有限公司 (Beijing General Municipal Engineering Design & Research Institute Co., Ltd.*), a company incorporated in the PRC with limited liability;
“Board”	the board of Directors;
“COHL”	China Overseas Holdings Limited (中國海外集團有限公司), a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of CSCECL and the controlling shareholder of the Company;

“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);
“CSCECL”	中國建築股份有限公司 (China State Construction Engineering Corporation Limited), a joint stock limited company established in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 601668) and an intermediate holding company of the Company;
“CSCEE”	中建生態環境集團有限公司 (China State Construction Ecological Environment Group Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of CSCECL;
“CSCIE”	中建國際工程有限公司 (China State Construction International Engineering Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Shareholders”	shareholders of the Company other than COHL and its associates;
“JV Company”	a joint venture company to be incorporated in Beijing, the PRC pursuant to the Shareholders’ Agreement;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Parties”	Beijing Beipai, Beijing Drainage, CSCEE, Beijing Haiyao Construction, CSCIE, BMEDI and Beijing Yizhuang Environment;
“PRC”	People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;

“Shareholders’ Agreement”	the shareholders' agreement dated 16 October 2024 entered into between the Parties in relation to, among other things, the formation of the JV Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

*\* The English names of the PRC entities referred to in this announcement are translations from their Chinese names and are 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, 16 October 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 Ms. Wong Wai Ching, Mr. Chan Tze Ching Ignatius and Mr. Chan Fan as Independent Non-executive Directors.*