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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 11 March 2025 (after trading hours), the Company and the Subscriber (on behalf of the Subscriber Group) entered into the Subscription Agreement pursuant to which the Company agreed to issue (pursuant to the General Mandate), and the Subscriber Group agreed to subscribe for, an aggregate of 244,600,000 Subscription Shares at the Subscription Price of HK\$12.26 per Share.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Subscriber, COEIF and their ultimate beneficial owner is an Independent Third Party. The Company will use the proceeds from the Subscription of approximately HK\$2,999 million for (i) the repayment of interest-bearing debts; (ii) the production, research and development and investments in construction technologies; and (iii) investments in the Group's construction or construction-related businesses and general corporate purposes of the Group.

The Subscription is conditional upon the granting of approval for the listing of, and permission to deal in, the Subscription Shares. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Shareholders and potential investors of the Company should note that completion of the Subscription is subject to the fulfillment of the Conditions in the Subscription Agreement. As the Subscription may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

Date

11 March 2025

Parties

- (i) the Company; and
- (ii) the Subscriber (on behalf of the Subscriber Group).

The Subscriber

The Subscriber is a company incorporated in Hong Kong with limited liability. It is an indirect wholly-owned subsidiary of China Orient Asset Management Co., Ltd. (“COAMC”) and serves as its most critical overseas investment platform. COAMC, one of the Big Four Asset Management Companies approved by the State Council of the PRC and the People’s Bank of China in October 1999, was established primarily to dispose of non-performing assets in the banking system. Over the years, COAMC has evolved into a leading integrated financial services group in the PRC, offering a range of services including distressed asset management, insurance, banking, securities, trust, credit rating, and overseas services. On 14 February 2025, COAMC announced that, subject to the approval of competent authorities, the Ministry of Finance of the PRC, being the controlling shareholder of COAMC, intended to transfer all of its shares in COAMC (representing approximately 71.55% of the total number of issued shares of COAMC) to Central Huijin Investment Ltd. by way of gratuitous transfer.

Focusing on distressed assets and aligned with the PRC’s three key financial sector objectives, serving the real economy, preventing financial risks, and deepening financial reforms, COAMC has continuously expanded its core distressed asset business and advanced high-quality development. To date, COAMC has cumulatively managed and resolved over RMB2 trillion in distressed assets, making significant contributions to the stability of the PRC’s financial system.

The Subscriber benefits from robust support from COAMC in terms of brand recognition, network resources, client relationships, and capital. Strategically headquartered in Hong Kong, the Subscriber leverages the synergies between domestic and international markets, acting as a bridge connecting cross-border business operations and resource allocation.

The core businesses of the Subscriber comprise three key segments: investment, corporate financial advisory, and asset management. Currently, the Subscriber operates across both domestic and international markets. Overseas, it primarily engages in direct investment and asset management, delivering specialized, diversified, and comprehensive financial services and tailored solutions, including distressed asset investments, special opportunities investments, and primary and secondary market investments. Domestically, through its wholly-owned subsidiary Orient Asset Management (China) Co., Ltd. and its affiliates, the Subscriber focuses on credit investments, equity investments, financial advisory services, and management consulting.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Subscriber, COEIF and their ultimate beneficial owner is an Independent Third Party. As at the date of this announcement, the Subscriber Group holds approximately 3.56% of the total number of issued Shares. Upon Completion, the Subscriber Group will hold, in aggregate, approximately 8.02% of the total number of issued Shares.

The Subscription

Pursuant to the Subscription Agreement, the Company agreed to issue (pursuant to the General Mandate), and the Subscriber Group agreed to subscribe for, the Subscription Shares at the Subscription Price (payable in full at Completion).

The Subscriber will nominate its indirect wholly-owned subsidiary, COEIF, as the registered holder of the Subscription Shares.

The Subscription Shares

The total number of Subscription Shares is 244,600,000 Shares, representing (i) approximately 4.86% of the existing issued Shares as at the date of this announcement; and (ii) approximately 4.63% of the issued Shares as enlarged by the issue of the Subscription Shares.

The aggregate nominal value of the Subscription Shares is HK\$6,115,000.

The Subscription Price

The Subscription Price of HK\$12.26 per Subscription Share represents:

- (i) a premium of approximately 0.49% to the closing price of HK\$12.20 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a premium of approximately 3.06% to the average closing price of HK\$11.896 per Share quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The consideration under the Subscription Agreement in the sum of HK\$2,998,796,000 is payable in cash by the Subscriber on Completion and is expected to be funded by internal resources.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber taking into account the prevailing market price of the Shares, the Group's historical performance and present financial position as well as current market conditions. The Board (including all independent non-executive Directors) considers that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Ranking

The Subscription Shares will, when fully paid, rank *pari passu* in all respects with the existing issued Shares upon issuance.

Conditions

Completion of the Subscription is conditional upon the fulfillment (or waiver, as applicable) of the following Conditions:

- (i) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares and such approval and permission not being subsequently revoked prior to Completion; and
- (ii) other customary conditions as set out in the Subscription Agreement.

In the event that the above Conditions cannot be fulfilled (or waived, as applicable) on or before 31 March 2025 (or such other date as agreed between the parties in writing), the Subscription Agreement will be terminated forthwith.

Completion

Completion shall take place on the first Business Day after the date on which the last Condition is fulfilled (or waived, as applicable) or any other date as agreed by the Subscriber and the Company in writing.

Nomination of Director

Pursuant to the Subscription Agreement, the Subscriber shall have the right to nominate a candidate to be put forward to the Board for appointment as a non-executive Director (“**Nominee Director**”) upon Completion. The Company undertakes to take all necessary steps and actions to facilitate the appointment upon receiving written nomination from the Subscriber, which shall first be accepted and approved by the nomination committee of the Board and the Board, subject to compliance with applicable laws, the Listing Rules and the articles of association of the Company.

The Subscriber agrees that if, at any time after the Completion Date, the Subscriber Group’s shareholding in the Company is reduced to less than 8% of the total number of issued Shares, the Subscriber shall (i) (in the case of reduction by initiation of the Subscriber Group) take all necessary steps and actions to procure the resignation of the Nominee Director within ten Business Days from the date of the reduction in shareholding (the “**Relevant Date**”); or (ii) (in the case of reduction due to reasons other than by initiation of the Subscriber Group) take all necessary steps and actions to procure the resignation of the Nominee Director within 120 Business Days from the Relevant Date (except where the Subscriber Group, during such period, increases its shareholding in the Company to no less than 8% of the total number of issued Shares). Upon such resignation of the Nominee Director, the Subscriber shall not be entitled to nominate a new Director despite any subsequent rectification of its shareholding in the Company to no less than 8% of the total number of issued Shares.

USE OF PROCEEDS

The gross proceeds from the issue of the Subscription Shares will amount to approximately HK\$2,999 million. No significant expenses have been incurred for the Subscription, therefore the net proceeds are approximately the same as the gross proceeds and the net price per

Subscription Share is approximately the same as the Subscription Price. The Directors intend to use the proceeds as follows:

- (i) approximately HK\$500 million, equivalent to approximately 16.67% of the gross proceeds, for the repayment of interest-bearing debts;
- (ii) approximately HK\$500 million, equivalent to approximately 16.67% of the gross proceeds, for the production, research and development and investments in relation to prefabricated constructions and other construction technologies; and
- (iii) approximately HK\$1,999 million, equivalent to approximately 66.66% of the gross proceeds, for investments in the Group's construction or construction-related businesses from time to time (which shall cover payments of investment consideration and construction materials and other payments under general contractual obligations) and for general corporate purposes of the Group.

GENERAL MANDATE TO ISSUE SHARES

The issue of the Subscription Shares will not be subject to the approval of the Shareholders and the Subscription Shares will be allotted and issued under the General Mandate granted to the Directors pursuant to a resolution passed by the Shareholders at the annual general meeting of the Company held on 6 June 2024, which authorised the Directors to allot, issue and deal with up to 503,761,666 Shares (representing 10% of the total number of issued Shares as at such date). As at the date of this announcement, the General Mandate has not been utilised. The 244,600,000 Subscription Shares will utilise approximately 48.55% of the General Mandate.

REASONS FOR AND BENEFIT OF THE SUBSCRIPTION

The Company is a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Stock Exchange (stock code: 3311). The Group is principally engaged in construction business, infrastructure investments and prefabricated constructions.

The Directors consider that the Subscription represents a good opportunity for the Group to raise further capital, while at the same time broadening its capital base. It also provides additional funding for the Group's business development, including enhancing the operational capabilities of the Group.

In view of the above, the Directors (including the independent non-executive Directors) consider that the Subscription is on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activity in the past twelve-month period immediately preceding this announcement.

APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

EFFECTS OF THE SUBSCRIPTION ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company immediately before and after the Subscription is summarised as follows:

Shareholders	Immediately before Completion		After Completion	
	<i>No. of Shares</i>	<i>% of the issued Shares (%)</i>	<i>No. of Shares</i>	<i>% of the issued Shares (%)</i>
China Overseas Holdings Limited (“COHL”) ⁽¹⁾	3,264,976,136	64.81	3,264,976,136	61.81
Mr. Zhang Haipeng ⁽²⁾	50,000	0.0010	50,000	0.0009
Mr. Hung Cheung Shew ⁽³⁾	591,584	0.01	591,584	0.01
The Subscriber Group	179,224,000	3.56	423,824,000	8.02
Other public Shareholders	1,592,774,948	31.62	1,592,774,948	30.15
Total	5,037,616,668	100.00	5,282,216,668	100.00

Notes:

- (1) As at the date of this announcement, amongst the total number of 3,264,976,136 Shares held by COHL, 3,146,188,492 Shares are held by COHL as beneficial owner while the balance of 118,787,644 Shares are interests of COHL’s controlled corporation, Silver Lot Development Limited.
- (2) Mr. Zhang Haipeng is the Chairman and an executive director of the Company.
- (3) Mr. Hung Cheung Shew is an executive director of the Company.

Shareholders and potential investors of the Company should note that completion of the Subscription is subject to the fulfillment of the Conditions in the Subscription Agreement. As the Subscription may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors;
“Business Day”	any day (excluding Saturdays, Sundays and public holidays) on which commercial banks generally are open for business in Hong Kong;
“COEIF”	China Orient Enhanced Income Fund, a company incorporated in the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of the Subscriber;

“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);
“Completion”	completion of the Subscription pursuant to the Subscription Agreement;
“Completion Date”	the first Business Day after the date on which the last Condition is fulfilled (or waived, as applicable) or any other date as agreed by the Subscriber and the Company in writing;
“Condition(s)”	the conditions precedent to the Subscription set out in the Subscription Agreement;
“connected person(s)”	shall have the meaning as defined in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate granted to the Directors pursuant to a resolution passed by the Shareholders at the annual general meeting of the Company held on 6 June 2024, which authorised the Directors to allot, issue and deal with up to 503,761,666 Shares (representing 10% of the total number of issued Shares as at such date);
“Group”	the Company and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	an independent third party not connected with the Company or its connected persons;
“Listing Committee”	shall have the meaning as defined in the Listing Rules;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“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;
“Share(s)”	ordinary share(s) of nominal value of HK\$0.025 each in the share capital of the Company;
“Shareholder(s)”	the holder(s) of the Shares;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	China Orient Asset Management (International) Holding Limited, a company incorporated in Hong Kong with limited liability
“Subscriber Group”	the Subscriber and/or its subsidiaries;
“Subscription”	the subscription of the Subscription Shares by the Subscriber Group at the Subscription Price pursuant to the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 11 March 2025 entered into between the Company and the Subscriber (on behalf of the Subscriber Group) in relation to the Subscription;
“Subscription Price”	HK\$12.26 per Subscription Share;
“Subscription Shares”	the 244,600,000 new and fully paid Shares to be subscribed by the Subscriber Group at the Subscription Price under the Subscription Agreement;
“subsidiary(ies)”	shall have the meaning as defined in the Listing Rules;
“%”	per cent.

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

Hong Kong, 11 March 2025

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.