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



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

CONNECTED TRANSACTION

FORMATION OF JOINT VENTURE IN ZIBO CITY, SHANDONG PROVINCE, THE PRC

On 14 October 2020, Zibo Haixin (a wholly-owned subsidiary of CSC) and COGOP (a wholly-owned subsidiary of COGO) entered into the Cooperation Agreement, pursuant to which the parties agreed to (a) form a joint venture through Zibo JV for the purpose of investing into and developing the Zibo Project; and (b) regulate their respective rights and obligations in Zibo JV.

As at the date of this joint announcement, CSCEC is the ultimate holding company of COHL which, in turn, is the controlling shareholder of both CSC and COGO by virtue of being interested in approximately 64.66% of the issued share capital of CSC and approximately 38.32% of the issued share capital of COGO. Hence, members of the CSC Group are connected persons of COGO and members of the COGO Group are connected persons of CSC under Chapter 14A of the Listing Rules. Accordingly, the Transaction constitutes a connected transaction for each of CSC and COGO.

As the applicable percentage ratios calculated for both CSC and COGO in respect of the Transaction are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules for both CSC and COGO.

INTRODUCTION

On 14 October 2020, Zibo Haixin and COGOP entered into the Cooperation Agreement, pursuant to which the parties agreed to (a) form a joint venture through Zibo JV for the purpose of investing into and developing the Zibo Project; and (b) regulate their respective rights and obligations in Zibo JV.

COOPERATION AGREEMENT

Date

14 October 2020

Parties

- (a) Zibo Haixin, a wholly-owned subsidiary of CSC; and
- (b) COGOP, a wholly-owned subsidiary of COGO.

Formation of joint venture through Zibo JV

Upon the formation of joint venture through Zibo JV, Zibo Haixin and COGOP shall hold 51% and 49% equity interests in Zibo JV respectively. Zibo JV will be accounted for as a subsidiary of CSC and an associate of COGO.

Zibo Haixin and COGOP agreed to the following major terms concerning Zibo JV in the Cooperation Agreement:

Total capital commitment:	The total capital commitment for the Zibo Project is RMB843,660,000 (equivalent to approximately HK\$969,724,138) (inclusive of the registered capital of Zibo JV of RMB35,294,100 (equivalent to approximately HK\$40,567,931) and the contribution for the purchase price of land use rights of the Land with respect to the Zibo Project in the sum of RMB643,120,000 (equivalent to approximately HK\$739,218,391) etc.), which, pursuant to the Cooperation Agreement, shall be contributed by the equity interest holders of Zibo JV in proportion to their respective equity interests in Zibo JV as follows:
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Zibo Haixin	RMB430,266,600 (equivalent to approximately HK\$494,559,310)
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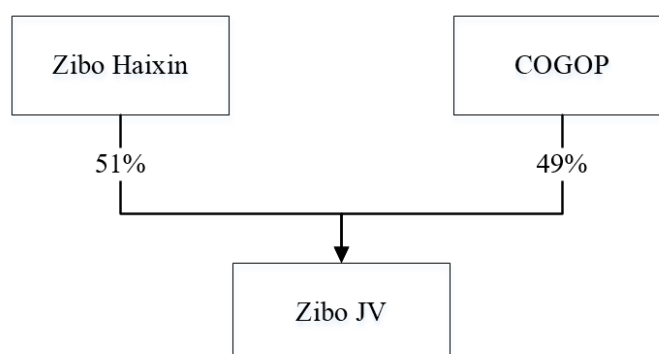
COGOP	RMB413,393,400 (equivalent to approximately HK\$475,164,828)
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The respective contributions of the total capital commitment are determined after arm's length negotiations between the parties with reference to the proposed total capital requirements of the Zibo Project and the parties' respective interests in Zibo JV and are expected to be funded through CSC's and COGO's respective internal resources.

Board composition and others:	<p>The board of directors of Zibo JV shall comprise five directors; three of whom shall be appointed by Zibo Haixin and the remaining two shall be appointed by COGOP.</p> <p>Zibo JV shall have three supervisors; two of whom shall be appointed by each of Zibo Haixin and COGOP respectively and one shall be a staff representative of Zibo JV.</p> <p>COGOP shall be entitled to appoint one general manager and Zibo Haixin shall be entitled to appoint one financial controller.</p>
Profit/loss sharing:	<p>The profits/losses after taxation in respect of Zibo JV shall be shared by Zibo Haixin and COGOP in proportion to their respective equity interests in Zibo JV.</p>
Future financing:	<p>Any additional funding of the Zibo Project shall be arranged by Zibo JV with banks.</p>

OWNERSHIP STRUCTURE OF ZIBO JV

The chart below shows the ownership structure of Zibo JV upon the formation of joint venture:



INFORMATION ON ZIBO JV AND ZIBO PROJECT

Zibo JV was established by Zibo Haixin on 20 July 2020 in the PRC with limited liability with a registered capital of RMB18,000,000 (equivalent to approximately HK\$20,689,655). As at the date of this joint announcement, Zibo JV is a wholly-owned subsidiary of Zibo Haixin principally engaged in the investment and development of the Zibo Project.

Zibo Project is a project relating to the development of Phase I of Southern New City Area, Qilu Fashion Valley on the land at Zichuan District, Zibo City, Shandong Province, the PRC (中國山東省淄博市淄川區齊魯時尚谷項目南部新城片區一期). The land involved in the Zibo Project is approximately 112,158 square metres, and will be developed into residential properties (the “**Land**”).

REASONS FOR AND BENEFITS OF THE TRANSACTION

The COGO Group has substantial experience in real estate development. The Transaction provides the CSC Group with the opportunity to bring synergy effect with COGO Group in the Zibo Project. The CSC Directors believe that the joint venture arrangement will benefit the CSC Group by leveraging the substantial experience of the COGO Group.

Taking into account the CSC Group's extensive experience and expertise in construction work, the COGO Directors consider that the joint venture arrangement would allow the COGO Group to leverage on the substantial experience of the CSC Group in building construction and site formation and hence, expediting the development of the Zibo Project; and cost effectiveness and quality control in respect of the construction work on the Land can also be achieved. Furthermore, the Transaction will broaden the asset and earnings base of COGO and further strengthen COGO's position as a premier property developer in the third-tier cities in the PRC.

The CSC Directors (including the independent non-executive CSC Directors) consider that the Transaction is in the ordinary and usual course of business of the CSC Group, on normal commercial terms after arm's length negotiations between the parties, and the terms of the Transaction are fair and reasonable and in the interests of CSC and its shareholders as a whole.

None of the CSC Directors has a material interest in the Transaction and no CSC Director is required to abstain from voting on the board resolution(s) approving the Transaction. However, Mr. Yan Jianguo, being the chairman and non-executive director of CSC, non-executive director of COGO and the chairman and president of COHL, and Mr. Zhang Haipeng, being director of both CSC and COHL, have voluntarily abstained from voting on the board resolution(s) of CSC approving the Transaction.

The COGO Directors (including the independent non-executive COGO Directors) consider that the Transaction is in the ordinary and usual course of business of the COGO Group, on normal commercial terms after arm's length negotiations between the parties, and the terms of the Transaction are fair and reasonable and in the interests of COGO and its shareholders as a whole.

None of the COGO Directors has a material interest in the Transaction and no COGO Director is required to abstain from voting on the board resolution(s) approving the Transaction. However, Mr. Yan Jianguo, being the non-executive director of COGO, the chairman and non-executive director of CSC and the chairman and president of COHL, and Mr. Zhuang Yong, being the chairman and executive director of COGO and director of COHL, have voluntarily abstained from voting on the board resolution(s) of COGO approving the Transaction.

GENERAL

Zibo Haixin is a wholly-owned subsidiary of CSC and is principally engaged in provision of construction and consulting services for roads, wiring and pipeline engineering and urban landscaping projects. The CSC Group is principally engaged in construction business, infrastructure investments, prefabricated constructions, engineering consultancy and façade contraction business.

COGOP is a wholly-owned subsidiary of COGO and is principally engaged in investment and development of urban property, property sales and leasing, and commercial housing sales. The COGO Group is principally engaged in property investment and development, property leasing and investment holding.

CSCEC Group 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

Zibo Haixin is a wholly-owned subsidiary of CSC while COGOP is a wholly-owned subsidiary of COGO. As at the date of this joint announcement, CSCEC is the ultimate holding company of COHL which, in turn, is the controlling shareholder of both CSC and COGO by virtue of being interested in approximately 64.66% of the issued share capital of CSC and approximately 38.32% of the issued share capital of COGO. Hence, members of the CSC Group are connected persons of COGO and members of the COGO Group are connected persons of CSC under Chapter 14A of the Listing Rules. Accordingly, the Transaction constitutes a connected transaction for each of CSC and COGO.

As the applicable percentage ratios calculated for both CSC and COGO in respect of the Transaction are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules for both CSC and COGO.

DEFINITIONS

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

“associate”, each has the meaning ascribed to it in the Listing Rules;
“connected person(s)”,
“connected transaction”,
“controlling shareholder”,
“percentage ratios”,
“subsidiary(ies)”

“COGO”	China Overseas Grand Oceans Group Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 81);
“COGO Board”	the board of directors of COGO;
“COGO Directors”	the directors of COGO;
“COGO Group”	COGO and its subsidiaries from time to time;
“COGOP”	中海宏洋地產集團有限公司 (China Overseas Grand Oceans Property Group Company Limited*), a limited liability company established in the PRC and a wholly-owned subsidiary of COGO;
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of both CSC and COGO;
“Cooperation Agreement”	the cooperation agreement between Zibo Haixin and COGOP dated 14 October 2020 in relation to the formation of joint venture through Zibo JV for the purpose of investing into and developing the Zibo Project;
“CSC”	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 3311);
“CSC Board”	the board of directors of CSC;
“CSC Directors”	the directors of CSC;
“CSC Group”	CSC and its subsidiaries from time to time;
“CSCEC”	中國建築集團有限公司 (China State Construction Engineering Corporation), a state-owned corporation organised and existing under the laws of the PRC, and the ultimate holding company of COHL;
“CSCEC Group”	CSCEC 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;

“Land”	has the meaning ascribed to it under the section headed “INFORMATION ON ZIBO JV AND ZIBO PROJECT” in this joint announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	People’s Republic of China, and for the purpose of this joint announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the entering into of the Cooperation Agreement and the transactions contemplated thereunder;
“Zibo Haixin”	淄博海新建設有限公司 (Zibo Haixin Construction Company Limited*), a limited liability company established in the PRC and a wholly-owned subsidiary of CSC;
“Zibo JV”	淄博海創置業有限公司 (Zibo Haichuang Real Estate Company Limited*), a limited liability company established in the PRC, a wholly-owned subsidiary of Zibo Haixin as at the date of this joint announcement, and a joint venture company to be formed pursuant to the Cooperation Agreement;
“Zibo Project”	a project relating to the development of residential properties on the Land, details of which are set out in the section headed “INFORMATION ON ZIBO JV AND ZIBO PROJECT” in this joint announcement;
“%”	per cent.

Unless otherwise specified in this joint announcement, amounts denominated in Renminbi have been converted, for the purpose of illustration only, into Hong Kong dollars at the rate of RMB0.87 = 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 names of the PRC entities referred to in this joint 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 COGO Board
**CHINA OVERSEAS GRAND OCEANS
GROUP LIMITED**

Zhuang Yong
Chairman and Executive Director

By Order of the CSC Board
**CHINA STATE CONSTRUCTION
INTERNATIONAL HOLDINGS
LIMITED**

Yan Jianguo
Chairman and Non-executive Director

Hong Kong, 14 October 2020

The CSC Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the COGO Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those relating to the COGO Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement (other than those relating to the COGO Group), the omission of which would make any statement in this joint announcement misleading.

The COGO Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the CSC Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those relating to the CSC Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement (other than those relating to the CSC Group), the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the CSC Board comprises Mr. Yan Jianguo as Chairman and Non-executive Director; Mr. Zhang Haipeng (Chief Executive Officer), Mr. Tian Shuchen, Mr. Zhou Hancheng and Mr. Hung Cheung Shew as Executive Directors; and Mr. Adrian David Li Man Kiu, Dr. Raymond Leung Hai Ming and Mr. Lee Shing See as Independent Non-executive Directors.

As at the date of this joint announcement, the COGO Board comprises eight directors, of which three are executive directors, namely Mr. Zhuang Yong, Mr. Yang Lin and Mr. Paul Wang Man Kwan; two non-executive directors, namely Mr. Yan Jianguo and Mr. Billy Yung Kwok Kee, and three independent non-executive directors, namely Dr. Timpson Chung Shui Ming, Mr. Jeffrey Lam Kin Fung and Mr. Dantes Lo Yiu Ching.