

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only, and does not constitute an invitation or an offer to acquire, purchase or subscribe for securities.

Neither this announcement nor anything herein constitutes an offer of securities for sale or solicitation of an offer to buy securities in the United States or any other jurisdictions where it is unlawful to do so. The securities and the guarantee referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any other jurisdiction, and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act).



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)

ISSUANCE OF U.S.\$500,000,000 3.40% SUBORDINATED GUARANTEED PERPETUAL CAPITAL SECURITIES

Reference is made to the announcement of the Company dated 31 May 2021 in relation to the Issuance. Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those defined in that announcement.

The Board is pleased to announce that on 1 June 2021, the Company and the Issuer entered into the Subscription Agreement with the Managers in connection with the Issuance. The Securities are expected to be issued on or about 8 June 2021.

The net proceeds of the Issuance, after deducting the fees and other expenses in connection with the Issuance, will be approximately U.S.\$498 million, which are intended to be used by the Company to repay and/or refinance the existing indebtedness of the Group and for general corporate purposes.

The Securities and the Guarantee have not been and will not be registered under the U.S. Securities Act, or the securities laws of any other jurisdiction, and, subject to certain exemptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in the Regulation S under the U.S. Securities Act).

Application has been made to the Stock Exchange for listing of, and permission to deal in, the Securities by way of debt issues to professional investors (as defined in Chapter 37 of the Listing Rules) only. Approval of the listing of the Securities on the Stock Exchange shall not be taken as an indication of the merits of the Issuer, the Company, the Group or the Securities.

Reference is made to the announcement of the Company dated 31 May 2021 in relation to the Issuance. Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those defined in that announcement.

The Board is pleased to announce that on 1 June 2021, the Company and the Issuer entered into the Subscription Agreement with the Managers in connection with the Issuance. The Securities are expected to be issued on or about 8 June 2021.

The Securities and the Guarantee have not been and will not be registered under the U.S. Securities Act, or the securities laws of any other jurisdiction, and, subject to certain exemptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in the Regulation S under the U.S. Securities Act).

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, the Managers are independent third parties and are not connected persons (as defined in the Listing Rules) of the Company.

PRINCIPAL TERMS OF THE SECURITIES

Securities Offered

Subject to certain conditions to completion, the Issuer will issue U.S.\$500,000,000 aggregate principal amount of 3.40% subordinated guaranteed perpetual capital securities on the Issue Date.

Issue Price

100.00%

Ranking

The Securities will constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and with any Parity Securities of the Issuer. The rights and claims of the Securityholders in respect of the Securities are subordinated as provided in the Terms and Conditions of the Securities.

The Guarantee will constitute a direct, unsecured and subordinated obligation of the Company which will rank *pari passu* with any Parity Securities of the Company. The rights and claims of the Securityholders in respect of the Guarantee will be subordinated as provided in the Terms and Conditions of the Securities.

Distribution

Subject to the Terms and Conditions of the Securities, the Securities will confer a right to receive distributions (each a “**Distribution**”) from the Issue Date at the Distribution Rate (as defined below). Subject to the Terms and Conditions of the Securities, the Distributions will be payable semi-annually in arrear in equal instalments on 8 June and 8 December of each year (each, a “**Distribution Payment Date**”). The Issuer may, at its sole and absolute discretion, elect to defer (in whole or in part) payments of Distribution in accordance with the Terms and Conditions of the Securities.

Distribution Rate

Subject to any increase pursuant to the Terms and Conditions of the Securities, the rate of Distribution (“**Distribution Rate**”) applicable to the Securities shall be:

- (i) in respect of the period from, and including, the Issue Date to, but excluding, the First Call Date, 3.40% per annum; and
- (ii) in respect of the period (A) from, and including, the First Call Date to, but excluding, the Reset Date falling immediately after the First Call Date, and (B) from, and including, each Reset Date falling after the First Call Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate.

Upon the occurrence of a Change of Control Event, a Breach of Covenants Event or a Relevant Indebtedness Default Event, the Distribution Rate will increase by 3.00% per annum, unless an irrevocable notice to redeem the Securities has been given to Securityholders by the Issuer pursuant to the Terms and Conditions of the Securities or in the case of a Breach of Covenants Event or a Relevant Indebtedness Default Event, the Covenant Breach or the Relevant Indebtedness Default Event (as the case may be) is remedied within the timing prescribed in the Terms and Conditions of the Securities.

Redemption

The Securities are perpetual securities and have no fixed redemption date.

The Securities may be redeemed at the option of the Issuer under certain circumstances in accordance with, and at the redemption amount provided in, the Terms and Conditions of the Securities, including but not limited to:

- (i) the Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving irrevocable notice to the Trustee, the Principal Paying Agent and the Securityholders on the First Call Date or any Distribution Payment Date after the First Call Date in accordance with, and at the redemption amount provided in, the Terms and Conditions of the Securities;
- (ii) the Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving irrevocable notice to the Trustee, the Principal Paying Agent and the Securityholders, in the event of certain changes affecting taxes of any Relevant Jurisdiction, in accordance with, and at the redemption amount provided in, the Terms and Conditions of the Securities;
- (iii) the Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving irrevocable notice to the Trustee, the Principal Paying Agent and the Securityholders, upon the occurrence of an Equity Disqualification Event as defined in the Terms and Conditions of the Securities;
- (iv) the Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving irrevocable notice to the Trustee, the Principal Paying Agent and the Securityholders, at any time upon the occurrence of a Change of Control Event, a Breach of Covenants Event or a Relevant Indebtedness Default Event, in accordance with, and at the redemption amount provided in, the Terms and Conditions of the Securities; and
- (v) the Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving irrevocable notice to the Trustee, the Principal Paying Agent and the Securityholders, if, prior to the date fixed for redemption, at least 80% in principal amount of the Securities originally issued has already been cancelled, in accordance with, and at the redemption amount provided in, the Terms and Conditions of the Securities.

USE OF PROCEEDS

The net proceeds of the Issuance, after deducting the fees and other expenses in connection with the Issuance, will be approximately U.S.\$498 million, which are intended to be used by the Company to repay and/or refinance the existing indebtedness of the Group and for general corporate purposes.

APPLICATION FOR LISTING

Application has been made to the Stock Exchange for listing of and permission to deal in the Securities by way of debt issues to professional investors (as defined in Chapter 37 of the Listing Rules) only. Approval of the listing of the Securities on the Stock Exchange shall not be taken as an indication of the merits of the Issuer, the Company, the Group or the Securities.

RATING

The Securities are expected to be rated “Baa3” by Moody’s Investors Service.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Breach of Covenants Event”	the occurrence of (a) a non-compliance and/or non-performance by the Issuer and/or the Company of one of more of their respective obligations and covenants as set out in the Terms and Conditions of the Securities; and (b) as requested in writing by the Securityholders of at least 25% in aggregate principal amount of the Securities outstanding, the Trustee giving notice in writing to the Issuer that the Distribution Rate will be adjusted in accordance with the Terms and Conditions of the Securities
“Change of Control Event”	occurs when: (a) the Company ceases to directly or indirectly hold or own 100% of the issued share capital of the Issuer; or (b) COHL ceases to directly or indirectly Control the Company, except for any cessation of direct or indirect Control which is regained by COHL within 14 days or such longer period as permitted under the Listing Rules or by the Stock Exchange after the date of the cessation of Control as a result of any top-up and placing exercise carried out by the Company of its share capital; or (c) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other person or persons, acting together, except where the consolidation, merger, sale or transfer will not result in the other person or persons acquiring Control over the Company or the successor entity
“COHL”	China Overseas Holdings Limited, the controlling shareholder (as defined in the Listing Rules) of the Company

“Company”	China State Construction International Holdings Limited (Stock Code: 3311), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Control”	(a) the ownership or control of more than 50% of the voting rights of the issued share capital of the Company (or, as the case may be, the successor entity) or (b) the right to appoint and/or remove the majority of the members of the Company’s (or, as the case may be, the successor entity’s) board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise
“Covenant Breach”	a non-compliance and/or non-performance by the Issuer and/or the Company of any one or more of their respective obligations and covenants set out in the Terms and Conditions of the Securities
“Distribution”	as defined in the paragraph under the sub-section headed “Distribution”
“Distribution Payment Date”	as defined in the paragraph under the sub-section headed “Distribution”
“First Call Date”	8 June 2026
“Group”	the Company, the Issuer and their respective subsidiaries as a whole
“Guarantee”	the unconditional and irrevocable guarantee by the Company of the due payment in full of all sums expressed to be payable by the Issuer under the Trust Deed and the Securities
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indebtedness for Borrowed Money”	any indebtedness for borrowed money (whether being principal, premium, interest or other amounts and includes any notes, bonds, debentures, debenture stock, loan stock or other securities)
“Issuance”	issuance of the Securities by the Issuer pursuant to the Terms and Conditions of the Securities
“Issue Date”	8 June 2021

“Issuer”	China State Construction Finance (Cayman) I Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Managers”	China International Capital Corporation Hong Kong Securities Limited, CLSA Limited, Haitong International Securities Company Limited, Mizuho Securities Asia Limited, The Hongkong and Shanghai Banking Corporation Limited and DBS Bank Ltd.
“Parity Securities”	(a) in respect of the Issuer, any instrument or security issued, entered into or guaranteed by the Issuer, which ranks or is expressed to rank, by its terms or by operation of law, <i>pari passu</i> with the Securities; and (b) in respect of the Company, any instrument or security issued, entered into or guaranteed by the Company, which ranks or is expressed to rank, by its terms or by operation of law, <i>pari passu</i> with the Guarantee
“Principal Paying Agent”	Deutsche Bank AG, Hong Kong Branch
“PRC”	People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Relevant Indebtedness Default Event”	the occurrence of one or more of the following events: (a) any Indebtedness for Borrowed Money of the Issuer, the Company or any of the Company’s other subsidiaries becomes due and payable prior to its stated maturity by reason of any actual default, event of default or potential event of default (howsoever described); or (b) any such Indebtedness for Borrowed Money is not paid when due or, as the case may be, within any originally applicable grace period; or (c) the Issuer, the Company or any of their respective subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any such Indebtedness for Borrowed Money, provided that the aggregate amount of such Indebtedness for Borrowed Money, guarantees and indemnities in respect of which one or more of the events mentioned above have occurred equals or exceeds U.S.\$20,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S.\$ as quoted by any leading bank on the relevant day), details of which are set out in the Terms and Conditions of the Securities

“Relevant Jurisdiction(s)”	the Cayman Islands, the PRC or any political subdivision or any authority therein or thereof having power to tax to which the Issuer or the Company becomes subject in respect of payments made by it of any sums due in respect of the Securities or the Guarantee (as applicable)
“Relevant Reset Distribution Rate”	a rate of distribution expressed as a percentage per annum equal to the sum of (a) the initial spread of 2.581%, (b) the treasury rate, and (c) a margin of 3.00% per annum as set out in the Terms and Conditions of the Securities
“Reset Date”	the First Call Date and each day falling every five calendar years after the First Call Date
“Securities”	the U.S.\$ denominated subordinated guaranteed perpetual capital securities to be issued by the Issuer and unconditionally and irrevocably guaranteed by the Company
“Securityholder(s)”	the person(s) in whose name Securities are registered in the relevant register (or, in the case of a joint holding, the first name thereof)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 1 June 2021 entered into between the Issuer, the Company and the Managers in relation to the Issuance
“Terms and Conditions of the Securities”	the terms and conditions of the Securities
“Trust Deed”	the trust deed to be dated on or about 8 June 2021 to be entered into between the Issuer, the Company and the Trustee, as amended and/or supplemented from time to time
“Trustee”	DB Trustees (Hong Kong) Limited
“United States”	United States of America

“U.S.\$” United States dollars

“%” per cent.

By order of the Board
**China State Construction
International Holdings Limited**
Yan Jianguo
Chairman and Non-executive Director

Hong Kong, 2 June 2021

As at the date of this announcement, the 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 announcement, the board of directors of the Issuer comprises Mr. Zhang Haipeng, Mr. Zhou Hancheng and Mr. Guo Feng.