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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 WUHAN JV WITH 中建三局建設工程股份有限公司 (CHINA CONSTRUCTION THIRD ENGINEERING BUREAU CORP., LTD.)

On 24 May 2013, CCTEB and CSCIICL entered into the JV Agreement, pursuant to which the parties agreed to establish the Wuhan JV on a 70:30 basis for the construction of and investment in the Wuhan Infrastructure Project.

CCTEB is a subsidiary of CSCECL, the intermediate holding company of the Company. Accordingly, CCTEB is a connected person of the Company and the Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules calculated with reference to the Transaction exceed 0.1% but are less than 5%, the Transaction is subject to the reporting and announcement requirements and exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

JV AGREEMENT

CCTEB has won an open tender as the lead contractor to build the Wuhan Infrastructure Project. On 24 May 2013, CCTEB and CSCIICL entered into the JV Agreement, pursuant to which the parties agreed to establish the Wuhan JV on a 70:30 basis for the construction of the Wuhan Infrastructure Project. The total registered capital of the Wuhan JV is RMB300 million (equivalent to approximately HK\$380 million), contributed in cash in proportion to the respective equity interests in the Wuhan JV of each party. Such amount of registered capital is determined after

arm's length negotiations between the parties with reference to their proposed capital requirements of the Wuhan Infrastructure Project. Any project capital fund required for the Wuhan Infrastructure Project other than those in a form of registered capital shall be arranged by the Wuhan JV.

The profit/loss of the Wuhan Infrastructure Project will be shared by CCTEB and CSCIICL in proportion to their respective equity interests in the Wuhan JV.

Information about the Wuhan JV and the Wuhan Infrastructure Project

The Wuhan JV will be engaged in the construction of infrastructure projects in Wuhan, the PRC. CCTEB has entered into a build-transfer agreement with the Wuhan Government (or its nominated entity) for the construction of and investment in the Wuhan Infrastructure Project. CCTEB and CSCIICL agreed to establish the Wuhan JV in accordance with such build-transfer agreement. Pursuant to the JV Agreement, the Wuhan JV will enter into a construction agreement with CCTEB for the engagement of CCTEB as construction contractor of the Wuhan Infrastructure Project.

REASONS FOR THE TRANSACTION

CCTEB has substantial experience in construction markets. The Transaction provides the Company with the opportunity to participate in infrastructure construction projects in the PRC with CCTEB as joint venture partner. The Directors believe that such arrangement will benefit the Group by leveraging the substantial experience of CCTEB.

The Directors (including the Independent Non-executive Directors) consider that the Transaction is in the ordinary course of business, 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 the Company and the Shareholders as a whole. None of the Directors has a material interest in the Transaction.

GENERAL

CSCIICL is a wholly owned subsidiary of the Company. The Group is principally engaged in building construction, civil engineering works, infrastructure investment and project consultancy business.

CSCECL is a contractor mainly participating in the PRC construction market.

CCTEB is a subsidiary of CSCECL, the intermediate holding company of the Company. Accordingly, CCTEB is a connected person of the Company and the Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules calculated with reference to the Transaction exceed 0.1% but are less than 5%, the Transaction is subject to the reporting and announcement requirements and exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“CCTEB”	中建三局建設工程股份有限公司 (China Construction Third Engineering Bureau Corp., Ltd.), a joint stock company incorporated in the PRC and a subsidiary of CSCECL;
“Company”	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);
“connected person(s)”, “subsidiaries”	each has the meaning ascribed to it in the Listing Rules;
“CSCEC”	中國建築工程總公司 (China State Construction Engineering Corporation), a state-owned corporation organised and existing under the laws of the PRC, being the ultimate holding company of the Company;
“CSCECL”	中國建築股份有限公司 (China State Construction Engineering Corporation Limited), a joint stock company incorporated in the PRC (the shares of which are listed on The Shanghai Stock Exchange), which is held as to more than 50% by CSCEC;
“CSCIICL”	中建國際投資(中國)有限公司 (China State Construction International Investments (China) Limited), a company established in the PRC with limited liability and a wholly owned subsidiary of the Company;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries 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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the 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;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	the shareholders of the Company from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Wuhan Government”	武漢市人民政府 (Wuhan Municipal People’s Government);
“Wuhan Infrastructure Project”	the construction of infrastructure projects located in Wuhan, the PRC, details of which are set out in the section headed “JV Agreement - Information about the Wuhan JV and the Wuhan Infrastructure Project” in this announcement;
“Wuhan JV”	a joint venture company established as a limited liability company pursuant to the JV Agreement;
“JV Agreement”	the joint venture formation cooperation agreement between CCTEB and CSCICL dated 24 May 2013 involving, among other things, the Wuhan Infrastructure Project and the formation of the Wuhan JV;
“Transaction”	the entering into of the JV Agreement and the transactions contemplated thereunder (including but not limited to the formation of the Wuhan JV); 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 RMB0.79 = 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 announcement are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail.

By Order of the Board
**China State Construction
International Holdings Limited**
Kong Qingping
Chairman and Non-executive Director

Hong Kong, 24 May 2013

As at the date of this announcement, the board of directors of the Company comprises Mr. Kong Qingping as Chairman and Non-executive Director; Mr. Zhou Yong (Vice-chairman and Chief Executive Officer), Mr. Tian Shuchen, Mr. Zhou Hancheng, Mr. Pan Shujie and Mr. Hung Cheung Shew as Executive Directors; Mr. Li Jian as Non-executive Director; and Dr. Raymond Ho Chung Tai, Mr. Adrian David Li Man Kiu, Dr. Raymond Leung Hai Ming and Mr. Lee Shing See as Independent Non-executive Directors.