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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)

**PROPOSED ISSUE OF
US\$500,000,000 6.0 PER CENT. SENIOR GUARANTEED PERPETUAL
CAPITAL SECURITIES**

Reference is made to the announcement of the Company dated 16 November 2018 in relation to the Proposed 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 26 November 2018, 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 3 December 2018.

The net proceeds of the Issuance, after deducting the fees and other expenses in connection with the Issuance, will be approximately US\$495.0 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 will not be registered under the U.S. Securities Act and, except pursuant to certain exemptions, may not be offered or sold within the United States. The Securities will be offered outside the United States in reliance on Regulation S under the U.S. Securities Act.

The Issuer intends to apply 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 and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) only. Approval of the listing of the Securities on the Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company, the Group or the Securities.

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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 of the Company.

PRINCIPAL TERMS OF THE SECURITIES

Securities Offered

US\$500,000,000 aggregate principal amount of 6.0 per cent. senior guaranteed perpetual capital securities

Issue Price

99.393 per cent.

Ranking

The Securities will constitute direct, unsubordinated, unconditional and (subject to certain exceptions) unsecured obligations of the Issuer which will at all times rank pari passu and without any preference or priority among themselves. The payment obligations of the Issuer under the Securities shall, save for certain exceptions, at all times rank at least equally with all the Issuer's other present and future unsecured, unconditional and unsubordinated obligations.

Distribution

Subject to the Terms and Conditions, the Securities confer a right to receive distributions (each a “**Distribution**”) from the Issue Date at the Distribution Rate (as defined below). The Distributions will be payable semi-annually in arrear in equal instalments on 3 June and 3 December of each year (each, a “**Distribution Payment Date**”). The Issuer may elect to defer payments of Distribution in accordance with the Terms and Conditions.

Rate of Distribution

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

- (i) in respect of the period from, and including, the Issue Date to, but excluding the First Call Date, the Initial Distribution Rate; 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 5.00 per cent. per annum, unless an irrevocable notice to redeem has been provided or in the case of a Breach of Covenants Event or a Relevant Indebtedness Default Event, such event is remedied within the timing prescribed in the Terms and Conditions.

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, 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 prior notice to 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;
- (ii) the Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving irrevocable prior notice to the Securityholders in the event of certain changes affecting taxes of any Relevant Jurisdiction;
- (iii) the Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving irrevocable prior notice to the Securityholders if, as a result of any changes or amendments to the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants or any other generally accepted accounting standards that may be adopted by the Company for the purposes of preparing its consolidated financial statements, the Securities must not or must no longer be recorded as “equity” of the Company under such standards;

- (iv) the Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving irrevocable prior notice to the Securityholders at any time following a Change of Control Event, at 101 per cent. of their principal amount (together with any Distribution accrued to but excluding the date fixed for redemption (including certain Distributions deferred pursuant to the Terms and Conditions (the “**Arrears of Distribution**”) and any Distribution accrued from each amount of the Arrears of Distribution pursuant to the Terms and Conditions));
- (v) the Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving irrevocable prior notice to the Securityholders at any time, upon the occurrence of a Breach of Covenants Event or a Relevant Indebtedness Default Event; and
- (vi) the Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving irrevocable prior notice to the Securityholders if, prior to the date fixed for redemption at least 80 per cent. in principal amount of the Securities issued has already been cancelled.

USE OF PROCEEDS

The net proceeds of the Issuance, after deducting the fees and other expenses in connection with the Issuance, will be approximately US\$495.0 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

The Issuer intends to apply 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 and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) only. Approval of the listing of the Securities on the Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company, the Group or the Securities.

RATING

The Securities are rated “Baa2” by Moody’s Investors Service, Inc.

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 certain obligations and covenants as set out in the Terms and Conditions and (b) as requested in writing by the Securityholders of at least 25 per cent. in aggregate principal amount of the Securities outstanding, the Trustee gives notice in writing to the Issuer that the Distribution Rate will be adjusted in accordance with the Terms and Conditions subject to certain exceptions

“Change of Control Event”	occurs when: (a) the Company ceases to directly or indirectly hold or own 100 per cent. of the issued share capital of the Issuer, or (b) COHL ceases to directly or indirectly Control the Company, except for any ceasing 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 per cent. of the voting rights of the issued share capital of the Company or (b) the right to appoint and/or remove the majority of the members of the Company’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
“First Call Date”	3 December 2021
“Group”	the Company and its subsidiaries
“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”	means 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)

“Initial Distribution Rate”	6.0 per cent. per annum
“Issuance”	the issuance of the Securities by the Issuer pursuant to the Terms and Conditions
“Issue Date”	3 December 2018
“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”	The Hongkong and Shanghai Banking Corporation Limited, Merrill Lynch (Asia Pacific) Limited, BOCI Asia Limited, CCB International Capital Limited, Haitong International Securities Company Limited, China International Capital Corporation Hong Kong Securities Limited, Orient Securities (Hong Kong) Limited, BNP Paribas, Guotai Junan Securities (Hong Kong) Limited and ABCI Capital Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau 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 in this provision have occurred equals or exceeds US\$20,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the US dollar as quoted by any leading bank on the day on which this provision operates), details of which are set out in the Terms and Conditions

“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 3.367 per cent., (b) the treasury rate, and (c) a margin of 5.00 per cent. per annum as set out in the Terms and Conditions
“Reset Date”	the First Call Date and each day falling every three calendar years after the First Call Date
“Securities”	the US\$ denominated senior guaranteed perpetual capital securities proposed to be issued by the Issuer and unconditionally and irrevocably guaranteed by the Company in accordance with the Terms and Conditions
“Securityholder(s)”	the person(s) in whose name a Security is 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 26 November 2018 entered into between the Issuer, the Company and the Managers in relation to the Issuance
“Terms and Conditions”	the terms and conditions of the Securities
“Trust Deed”	the trust deed dated on or about 3 December 2018 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” the United States of America

“US\$” United States dollars

By order of the Board
**China State Construction
International Holdings Limited**
Zhou Yong
Chairman and Executive Director

Hong Kong, 27 November 2018

As at the date of this announcement, the Board comprises Mr. Zhou Yong (Chairman), Mr. Zhang Haipeng (Chief Executive Officer), Mr. Tian Shuchen, Mr. Zhou Hancheng and Mr. Hung Cheung Shew as Executive Directors; 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.