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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)

**REVISION OF ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS
WITH CHINA OVERSEAS LAND & INVESTMENT LIMITED
IN RELATION TO
SUPPLY OF MATERIALS**

REVISION OF CAPS

This announcement is made by the Company pursuant to Rule 14A.54(2) of the Listing Rules.

Reference is made to the announcement of the Company dated 28 April 2021 in relation to the entering into of the Framework Agreement between the Company and COLI whereby (i) the COLI Group may supply the Materials for the Projects upon the Group's request in accordance with the tendering procedures of the Group from time to time for a term of three years commencing from 1 July 2021 and ending on 30 June 2024 subject to the Caps; and (ii) the Group may engage the COLI Group as supplier of the Materials for the Projects upon the COLI Group's successful tender.

Based on the volume of existing Projects and projected increased volume of potential Projects, it is expected that more Materials will be required to be supplied and the Caps for the transactions contemplated under the Framework Agreement for the period from 1 January 2022 to 30 June 2024 may no longer be sufficient to support the business need of the Group. The Company has therefore decided to enter into the Supplemental Agreement to revise the Caps by increasing from RMB360 million (approximately HK\$445 million) to RMB1 billion (approximately HK\$1.2 billion) for the year ending 31 December 2022, RMB430 million (approximately HK\$532 million) to RMB 1 billion (approximately HK\$1.2 billion) for the year ending 31 December 2023, and RMB260 million (approximately HK\$321 million) to RMB500 million (approximately HK\$618 million) for the period between 1 January 2024 and 30 June 2024 (i.e. the Revised Caps).

LISTING RULES IMPLICATIONS

As at the date of this announcement, CSCEC is the ultimate holding company of COHL, which, in turn, is the controlling shareholder of both the Company and COLI by virtue of it being interested in approximately 64.81% of the issued share capital of the Company and approximately 56.09% of the issued share capital of COLI. Accordingly, members of the COLI Group are connected persons of the Group and the transactions contemplated under the Framework Agreement (as amended by the Supplemental Agreement) constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios as defined under the Listing Rules calculated for the Company in respect of the highest Revised Cap are more than 0.1% but less than 5%, the transactions contemplated under the Framework Agreement (as amended by the Supplemental Agreement) are subject to the reporting, announcement and annual review requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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CAPS, REVISED CAPS AND REASON FOR THE REVISION OF CAPS

Based on the volume of existing Projects and projected increased volume of potential Projects, it is expected that more Materials will be required to be supplied and the Caps for the transactions contemplated under the Framework Agreement for the period from 1 January 2022 to 30 June 2024 may no longer be sufficient to support the business need of the Group. The Company has therefore decided to enter into the Supplemental Agreement with COLI to revise the Caps by increasing them from RMB360 million (approximately HK\$445 million) to RMB1 billion (approximately HK\$1.2 billion) for the year ending 31 December 2022, RMB430 million (approximately HK\$532 million) to RMB 1 billion (approximately HK\$1.2 billion) for the year ending 31 December 2023, and RMB260 million (approximately HK\$321 million) to RMB500 million (approximately HK\$618 million) for the period between 1 January 2024 and 30 June 2024 (i.e. the Revised Caps).

The actual/estimated (as the case may be) transaction amounts and the corresponding Caps and Revised Caps for the transactions conducted under the Framework Agreement for the period between 1 July 2021 and 31 December 2021, the two years ending 31 December 2023 and the period between 1 January 2024 and 30 June 2024 are as follows:

Periods/years covered	Caps¹	Actual/estimated transaction amounts during the periods/years	Revised Caps
1 July 2021 - 31 December 2021	RMB150 million (approximately HK\$185 million)	RMB134 million (approximately HK\$166 million)	N/A
1 January 2022 - 31 December 2022	RMB360 million (approximately HK\$445 million)	RMB900 million (approximately HK\$1,112 million) ²	RMB 1 billion (approximately HK\$1.2 billion)
1 January 2023 - 31 December 2023	RMB430 million (approximately HK\$532 million)	RMB900 million (approximately HK\$1,112 million)	RMB 1 billion (approximately HK\$1.2 billion)
1 January 2024 - 30 June 2024	RMB260 million (approximately HK\$321 million)	RMB450 million (approximately HK\$556 million)	RMB500 million (approximately HK\$618 million)

Notes:

¹ *The Company confirmed that the existing Caps of the Framework Agreement had not been exceeded as at the date of this announcement.*

² *The Company has monitored the actual transaction amount to ensure that the Cap for the year ending 31 December 2022 was not exceeded before the entering into of the Supplemental Agreement and as at the date of this announcement.*

The Revised Caps are determined with reference to factors including: (1) the historical transaction amount; (2) the volume of existing Projects and the Company's projection of the volume of potential Projects by 31 December 2022, 31 December 2023 and 30 June 2024 respectively; and (3) a buffer for unexpected increase in transaction amount which is equal to 10% of the estimated transaction amount for the period from 1 January 2022 to 30 June 2024.

Other than the revision of the Caps as aforementioned, all other terms of the Framework Agreement, the pricing basis and the tendering procedures for supply of Materials in the PRC as stated in the announcement of the Company dated 28 April 2021 remain unchanged. The contract sums under the Framework Agreement (as amended by the Supplemental Agreement) will be satisfied by the Group in cash from its general working capital.

The Directors (including the independent non-executive Directors) are of the view that the entering into of the Framework Agreement (as amended by the Supplemental Agreement) and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group, the terms of the Framework Agreement (as amended by the Supplemental Agreement) (including the Revised Caps) are on normal commercial terms after arm's length negotiations between the parties thereunder, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL

The Group is principally engaged in construction business, infrastructure investments and prefabricated constructions.

The COLI Group is principally engaged in property development and investment, and other operations.

CSCECL is the holding company of COHL, which, in turn, is the controlling shareholder of both the Company and COLI. CSCECL is a contractor which is principally engaged in construction works in various cities in the PRC and various countries around the world.

CSCEC is the ultimate holding company of each of CSCECL, COHL, the Company and COLI. CSCEC, together with its subsidiaries (excluding those listed on any stock exchange), 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

As at the date of this announcement, CSCEC is the ultimate holding company of COHL, which, in turn, is the controlling shareholder of both the Company and COLI by virtue of it being interested in approximately 64.81% of the issued share capital of the Company and approximately 56.09% of the issued share capital of COLI. Accordingly, members of the COLI Group are connected persons of the Group and the transactions contemplated under the Framework Agreement (as amended by the Supplemental Agreement) constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios as defined under the Listing Rules calculated for the Company in respect of the highest Revised Cap are more than 0.1% but less than 5%, the transactions contemplated under the Framework Agreement (as amended by the Supplemental Agreement) are subject to the reporting, announcement and annual review requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the directors of the Company has any material interest in the Framework Agreement (as amended by the Supplemental Agreement) and the transactions contemplated thereunder and no director is required to abstain from voting on the Board resolution(s) approving the entering into of the Supplemental Agreement (together with the Revised Caps) and the transactions contemplated thereunder. Mr. Yan Jianguo, being the chairman and non-executive director of the Company, the chairman and executive director of COLI and the chairman and president of COHL, Mr. Chen Xiaofeng, being a non-executive director of the Company and a director of COHL, and Mr. Zhang Haipeng, being an executive director of the Company and a director of COHL, have voluntarily abstained from voting on the Board resolution(s) approving the entering into of the Supplemental Agreement (together with the Revised Caps) and the transactions contemplated thereunder.

Shareholders of the Company should note that the Revised Caps represent the best estimates by the directors of the Company of the amounts of the relevant transactions based on the information currently available. The Revised Caps bear no direct relationships to, nor should be taken to have any direct bearings to, the Group's financial or potential financial performance. The Group may or may not retain the COLI Group to supply the Materials for the Projects up to the level of the Revised Caps, if at all, as the supplies are subject to tendering procedures which are open to other independent third party suppliers.

DEFINITIONS

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

- “connected person(s)”, “controlling shareholder(s)” “percentage ratios” and “subsidiary(ies)” each has the meaning ascribed to it under the Listing Rules;
- “Board” the board of directors of the Company;
- “Cap(s)” the maximum total contract sum that may be awarded by the Group to the COLI Group for the supply of Materials for the Projects by the COLI Group to the Group for each period or year under the Framework Agreement;

“COHL”	China Overseas Holdings Limited (中國海外集團有限公司), a company incorporated in Hong Kong with limited liability, being a wholly owned subsidiary of CSCECL and the controlling shareholder of both the Company and COLI;
“COLI”	China Overseas Land & Investment Limited (中國海外發展有限公司), a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 688);
“COLI Group”	COLI and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange and their respective subsidiaries, if any) from time to time;
“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);
“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, being the ultimate holding company of each of CSCECL, COHL, the Company and COLI;
“CSCECL”	中國建築股份有限公司 (China State Construction Engineering Corporation Limited), a joint stock company established in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 601668), is a non-wholly owned subsidiary of CSCEC and holding company of COHL;
“Framework Agreement”	the framework agreement entered into between the Company and COLI on 28 April 2021 in respect of the supply of Materials for the Projects by the COLI Group to the Group from time to time for a term of three years commencing from 1 July 2021 and ending on 30 June 2024;

“Group”	the Company and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange and their respective subsidiary(ies), if any) 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;
“Macau”	the Macau Special Administrative Region of the PRC;
“Materials”	civil-works, electromechanical and renovation items, goods or materials;
“PRC”	People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan;
“Project(s)”	construction project(s) of the Group in the PRC;
“Revised Cap(s)”	the maximum total contract sum that may be awarded by the Group to the COLI Group for the supply of Materials for the Projects by the COLI Group to the Group for each period or year from 1 January 2022 to 30 June 2024 as set out under the Supplemental Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	the supplemental agreement dated 3 May 2022 to the Framework Agreement entered into between the Company and COLI, pursuant to which the Caps for the transactions contemplated under the Framework Agreement for each period or year from 1 January 2022 to 30 June 2024 have been revised; 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 RMB0.809 = 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 name of the PRC entity referred to in this announcement is translation from its Chinese name and is for identification purpose only. If there is any inconsistency, the Chinese name shall prevail.*

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

Hong Kong, 3 May 2022

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