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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)

**CONTINUING CONNECTED TRANSACTIONS
WITH 中國建築股份有限公司 (CHINA STATE CONSTRUCTION
ENGINEERING CORPORATION LIMITED)
IN RELATION TO CONSTRUCTION WORKS**

References are made to the announcement issued by the Company dated 19 October 2020, and the circular of the Company dated 24 November 2020, in relation to, among other things, the Previous CSCECL Construction Engagement Agreement entered into between the Company and CSCECL which will expire on 31 December 2023.

It is contemplated that the Group will continue to invite the CSCECL Group to participate in competitive tender as Contractors for the Group's construction works from time to time and that the CSCECL Group will continue to invite the Group to participate in competitive tender as Contractors for the CSCECL Group's construction works from time to time. As the Previous CSCECL Construction Engagement Agreement is due to expire on 31 December 2023, on 20 October 2023, the Company and CSCECL entered into the New CSCECL Construction Engagement Agreement to renew the Previous CSCECL Construction Engagement Agreement for a term of three years commencing from 1 January 2024 and ending on 31 December 2026.

As at the date of this announcement, CSCECL is the intermediate holding company of the Company. Accordingly, members of the CSCECL Group are connected persons of the Company. Each of the CSCECL Construction Engagement Transactions and the CSC Construction Engagement Transactions contemplated under the New CSCECL Construction Engagement Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined under the Listing Rules in respect of the maximum total contract sum that may be awarded by the Group to the CSCECL Group for each year under the New CSCECL Construction Engagement Agreement, i.e. the CSCECL Construction Engagement Cap, exceed 5%, the CSCECL Construction Engagement Transactions contemplated under the New CSCECL Construction Engagement Agreement are subject to the annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing rules.

Since the applicable percentage ratios as defined under the Listing Rules in respect of the maximum total contract sum that may be awarded by the CSCECL Group to the Group for each year under the New CSCECL Construction Engagement Agreement, i.e. the CSC Construction Engagement Cap, exceed 5%, the CSC Construction Engagement Transactions contemplated under the New CSCECL Construction Engagement Agreement are subject to the annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An independent board committee of the Company comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the CSCECL Construction Engagement Transactions and the CSC Construction Engagement Transactions. Red Sun has been appointed as the independent financial adviser to advise the independent board committee of the Company and the Independent Shareholders in this connection. Voting at the EGM will be conducted by poll and CSCECL and its associates will abstain from voting at the EGM. None of the Directors has any material interest in the New CSCECL Construction Engagement Agreement and the transactions contemplated thereunder (together with the CSCECL Construction Engagement Cap and the CSC Construction Engagement Cap).

A circular containing, among other things, further particulars of the CSCECL Construction Engagement Transactions and the CSC Construction Engagement Transactions together with, the recommendations of the independent board committee of the Company, a letter from the Independent Financial Adviser to the independent board committee of the Company and the Independent Shareholders, and a notice convening the EGM will be expected to be despatched to the Shareholders on or before 1 December 2023 as the Company expects additional time will be required to prepare and finalize the information to be included in the circular.

Shareholders should note that each of the CSCECL Construction Engagement Cap and the CSC Construction Engagement Cap represents the best estimates by the Directors of the amount of the relevant transactions based on the information currently available. Each of the CSCECL Construction Engagement Cap and the CSC Construction Engagement Cap bears 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 CSCECL Group to engage in construction related works up to the level of the CSCECL Construction Engagement Cap, if at all, as its engagement is subject to tender procedures which are open to other independent third parties. Similarly, the CSCECL Group may or may not retain the Group to engage in construction related works up to the level of the CSC Construction Engagement Cap, if at all, as its engagement is subject to tender procedures which are open to other independent third parties.

BACKGROUND

References are made to the announcement issued by the Company dated 19 October 2020, and the circular of the Company dated 24 November 2020, in relation to, among other things, the Previous CSCECL Construction Engagement Agreement entered into between the Company and CSCECL which will expire on 31 December 2023.

It is contemplated that the Group will continue to invite the CSCECL Group to participate in competitive tender as Contractors for the Group's construction works from time to time and that the CSCECL Group will continue to invite the Group to participate in competitive tender as Contractors for the CSCECL Group's construction works from time to time. As the Previous CSCECL Construction Engagement Agreement is due to expire on 31 December 2023, on 20 October 2023, the Company and CSCECL entered into the New CSCECL Construction Engagement Agreement to renew the Previous CSCECL Construction Engagement Agreement for a term of three years commencing from 1 January 2024 and ending on 31 December 2026.

THE NEW CSCECL CONSTRUCTION ENGAGEMENT AGREEMENT

Date

20 October 2023

Parties

1. the Company; and
2. CSCECL.

On 20 October 2023, the Company and CSCECL entered into the New CSCECL Construction Engagement Agreement to renew the Previous CSCECL Construction Engagement Agreement for a term of three years commencing from 1 January 2024 and ending on 31 December 2026.

CSCECL Construction Engagement Transactions

The Directors expect that the Group will continue to invite the CSCECL Group to participate in competitive tender as Contractors for the Group’s construction works from time to time. Accordingly, under the New CSCECL Construction Engagement Agreement, the Company and CSCECL agreed, among other things, that for a term of three years commencing from 1 January 2024 and ending on 31 December 2026:

- (a) any member of the CSCECL Group may tender for the Group’s construction works as Contractors in accordance with the tendering procedures of the Group from time to time and on the same and normal terms as offered to other independent third parties;
- (b) if any contract is granted in favour of the CSCECL Group as a result of the above tender, the CSCECL Group may act as Contractors for the Group’s construction works based on the terms of the successful tender provided that the maximum total contract sum that may be awarded by the Group to the CSCECL Group for each of the three financial years ending 31 December 2026 shall not exceed the CSCECL Construction Engagement Cap as set out below:

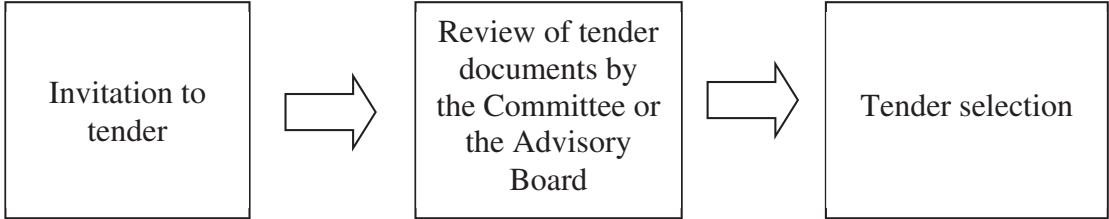
	For the financial year ending 31 December 2024 (RMB million)	For the financial year ending 31 December 2025 (RMB million)	For the financial year ending 31 December 2026 (RMB million)
CSCECL Construction Engagement Cap	10,000	11,000	12,000

- (c) the construction fees payable by the Group to the CSCECL Group will be settled pursuant to the payment terms set out in the tender documents for the specific construction, project management, project consultancy, project design and/or construction material supplying contracts.

Pricing basis of the contract sum awarded by the Group to the CSCECL Group

The contract sum and the terms awarded by the Group to the CSCECL Group for the Group’s construction works will be negotiated on an arm’s length basis and determined between the Group and the CSCECL Group subject to standard and systematic tender review procedures maintained by the Group, which apply to tenders obtained from both connected persons and independent third parties, in order to ensure that the contract sum and terms of the tender granted by the Group to the CSCECL Group are no more favourable to the CSCECL Group, and no less favourable to the Group, than those granted to independent third parties.

The procedures generally involve three stages: (i) invitation to tender; (ii) review of tender documents; and (iii) tender selection. For contracts with an amount of less than RMB5,000,000, the Company’s regional management team will form a committee (the “**Committee**”) in reviewing the tender documents. For contracts with an amount of RMB5,000,000 or more, the review of the tender documents will be conducted by the Group’s construction contracting advisory board (the “**Advisory Board**”), comprising not less than five members, which include Directors who are not employees and/or directors of the CSCECL Group, the directors, management staff and supervisor of the relevant member of the Group and the finance personnel of the Group. In both cases, the members of the Committee or the Advisory Board shall not be employees or directors of the CSCECL Group and shall have no relationship with the CSCECL Group.



The Group will invite submission of tender from at least three potential Contractors, including Contractors with or without prior working history with the Group. They are subject to qualification evaluation from time to time based on selection criteria which are consistent with the selection criteria of Contractors by the Committee or the Advisory Board as detailed in the paragraph below.

The Committee or the Advisory Board will shortlist at least three tenders and make the final decision with reference to the following selection criteria:

- (1) quality of work;
- (2) measures on environmental protection, safety and workers’ health undertaken;

- (3) time management and project management plan;
- (4) financial arrangement and financial ability;
- (5) material and supply management; and
- (6) past cooperation record with the Group, if any.

In determining the pricing terms, the Committee or the Advisory Board will also review the cost information for materials and pricing information of previous tenders submitted to the Group in assessment of the pricing terms.

The Committee or the Advisory Board will also review and compare previous tender prices granted to both connected persons and independent third parties, so as to ensure that the contract sum and terms of the tender to be granted by the Group to the CSCECL Group are no more favourable to the CSCECL Group, and no less favourable to the Group, than those granted to independent third parties.

Having reviewed the above factors and information, the Committee or the Advisory Board will select the Contractor with the lowest tender amount on the condition that it also satisfies the selection criteria and principles as set out above and as set out in the tender invitation.

The relevant letter of award or contract will be issued once the final decision is made in the meeting of the Committee or the Advisory Board.

Historical transaction amounts and the Historical CSCECL Construction Engagement Cap

	Historical Transaction Amounts			Historical CSCECL Construction Engagement Cap
	For the year ended 31 December 2021	For the year ended 31 December 2022	For the six months ended 30 June 2023	
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
	<i>(Approximately)</i>	<i>(Approximately)</i>	<i>(Approximately)</i>	
CSCECL Construction Engagement Transactions	9,803	2,081	720	55,000

Calculation of the CSCECL Construction Engagement Cap

The CSCECL Construction Engagement Cap is calculated with reference to the following factors:

- (a) the Historical CSCECL Construction Engagement Cap in the amount of RMB55,000 million;
- (b) the average contract sum per year taken over the three years ending 31 December 2023, based on the historical total contract sum of the CSCECL Construction Engagement Transactions for each of the two financial years ended 31 December 2022 and the six months ended 30 June 2023 respectively and the expected total contract sum possibly reaching approximately RMB6,318 million by the end of 2023, after considering certain adjustment, such as material cost;
- (c) the Company expects its PRC construction business will be in a stable and improving trend for the next three years ending 31 December 2026, given that total contract sum of the CSCECL Construction Engagement Transactions reached to approximately RMB9,803 million for the year ended 31 December 2021, which is just below the CSCECL Construction Engagement Cap for the year ending 31 December 2024; and
- (d) the relatively unstable historical contract sums of the CSCECL Construction Engagement Transactions were primarily due to the unexpected delay in the tendering process of certain projects under the pandemic and that some of the submitted tenders were not eventually awarded to the CSCECL Group by the Group. Moreover, the number of construction projects for which the CSCECL Group is interested in tendering could fluctuate at times upon considering such projects' suitability, echoed by the unpredictability nature of tender outcomes, which would in turn affect the contract sums awarded to the CSCECL Group by the Group. As the tendering process and construction schedule for PRC construction projects resume normal, the Group expects that the total contract sum of construction projects of the Group which the CSCECL Group may tender for will continue to grow steadily as compared to the abovementioned historical contract sums.

The CSCECL Construction Engagement Cap is estimated based on the expected total sums of new PRC construction projects that may be awarded by the Group to the CSCECL Group for the three years ending 31 December 2026, which already caters for future business growth, inflation, and any unforeseen changes in market conditions including an unexpected increase in demand of construction works and/or unexpected increase in the contract sum contracted to the CSCECL Group, thereby providing a degree of flexibility.

The CSCECL Construction Engagement Transactions contemplated under the New CSCECL Construction Engagement Agreement (together with the CSCECL Construction Engagement Cap) will take effect conditional upon the Independent Shareholders’ approval having been obtained at the EGM.

CSC Construction Engagement Transactions

The Directors also expect that the CSCECL Group will continue to invite the Group to participate in competitive tender as Contractors for the CSCECL Group’s construction works from time to time. Accordingly, under the New CSCECL Construction Engagement Agreement, the Company and CSCECL also agreed, among other things, that for a term of three years commencing from 1 January 2024 and ending on 31 December 2026:

- (a) any member of the Group may tender for the CSCECL Group’s construction works as Contractors in accordance with the tendering procedures of the CSCECL Group from time to time and on the same and normal terms as offered to other independent third parties;
- (b) if any contract is granted in favour of the Group as a result of the above tender, the Group may act as Contractors for the CSCECL Group’s construction works based on the terms of the successful tender provided that the maximum total contract sum that may be awarded by the CSCECL Group to the Group for each of the three financial years ending 31 December 2026 shall not exceed the CSC Construction Engagement Cap as set out below:

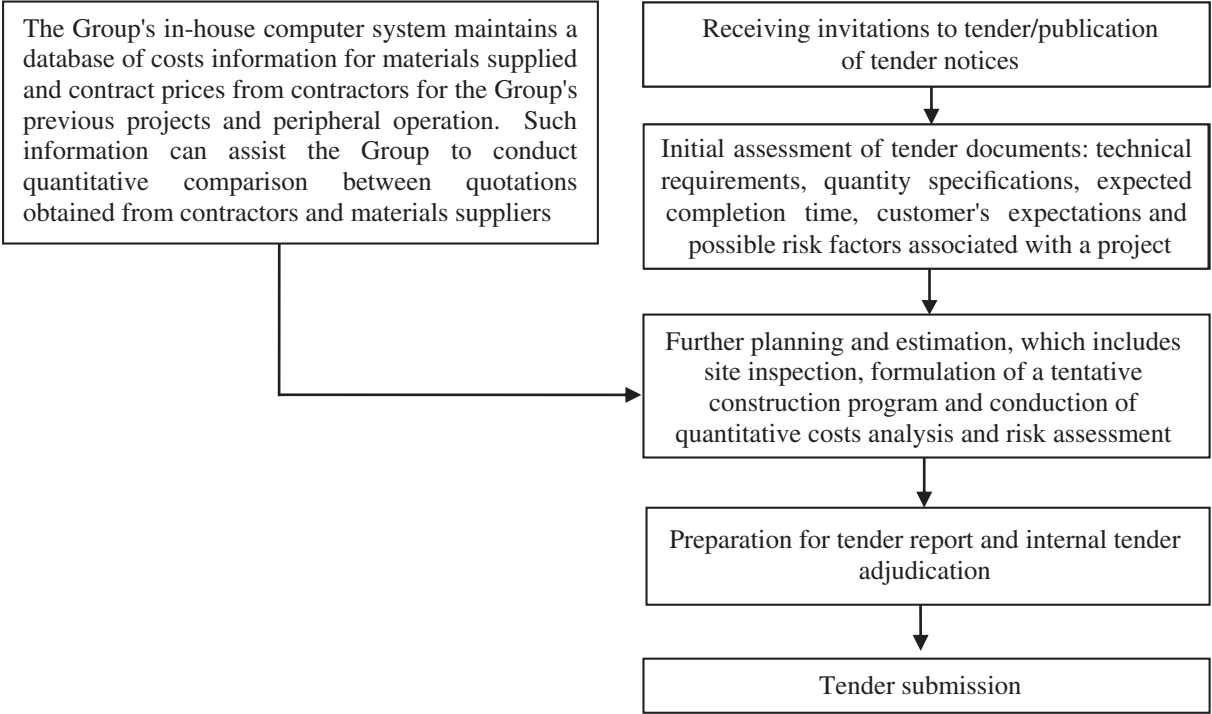
	For the financial year ending 31 December 2024 (RMB million)	For the financial year ending 31 December 2025 (RMB million)	For the financial year ending 31 December 2026 (RMB million)
CSC Construction Engagement Cap	2,000	2,500	3,000

- (c) the construction fees payable by the CSCECL Group to the Group will be settled pursuant to the payment terms set out in the tender documents for the specific construction, project management, project consultancy, project design and/or construction material supplying contracts.

Pricing basis of the Group's tenders submitted to the CSCECL Group

The prices and terms of the Group's tenders submitted to the CSCECL Group for the CSCECL Group's construction works are subject to standard and systematic tender submission procedures maintained by the Group, which apply to tenders submitted to both connected persons and independent third parties, in order to ensure that the prices and terms of the proposed tenders submitted by the Group to the CSCECL Group are no more favourable to the CSCECL Group, and no less favourable to the Group, than those submitted to independent third parties.

The standard and systematic tender submission procedures generally involve (i) receiving invitations to tender/publication of tender notices; (ii) initial assessment of tender documents; (iii) further planning and estimation; (iv) preparation for tender report and internal tender adjudication; and (v) tender submission. The procedures, as illustrated in the following diagram, will enable the Group to review the feasibility and profitability of the tender to be submitted and to decide the contents and pricing terms of the tender to be submitted.



In preparing and assessing the tender documents, the Group will take into account factors including technical requirements, quantity specifications, expected completion time, customer's expectations and the possible risk factors associated with a project. The Group will then perform site inspection, formulate a tentative construction program and conduct quantitative costs analysis and risk assessment.

In determining the pricing terms, the Group will review the costs information maintained by its in-house computer database for materials supplied and contract prices from contractors for the Group’s previous projects and peripheral operation. This information will assist the Group to conduct quantitative comparison between quotations obtained from contractors and materials suppliers. The Group will review details of the tender to be submitted for bidding including the price analysis of each item in the tender for both tenders to be submitted to connected persons and independent third parties, and compare them with previous tenders submitted to both connected persons and independent third parties, so as to ensure that the prices and terms of the tender to be submitted to the CSCECL Group are not more favourable to the CSCECL Group, and no less favourable to the Group, than those submitted to independent third parties.

The review committee of the CSCECL Group which are independent of the Group (the “**Review Committee**”) may approve or reject the tender submitted by the Group based on the analysis result of its tender review process. In addition, the Review Committee is also responsible for deciding the contents and pricing terms of the proposed tenders. If any contract is granted in favour of the Group as a result of the competitive tender, the relevant project owner of the CSCECL Group will issue a letter of award to the Group and the Group will act as the Contractor for the relevant construction works of the CSCECL Group based on the terms of the successful tender.

Historical transaction amounts and the Historical CSC Construction Engagement Cap

	Historical Transaction Amounts			Historical CSC Construction Engagement Cap (RMB million)
	For the year ended 31 December 2021 (RMB million)	For the year ended 31 December 2022 (RMB million)	For the six months ended 30 June 2023 (RMB million)	
	<i>(Approximately)</i>			
CSC Construction Engagement Transactions	811	0	0	18,000

Calculation of the CSC Construction Engagement Cap

The CSC Construction Engagement Cap is calculated with reference to the following factors:

- (a) the Historical CSC Construction Engagement Cap in the amount of RMB18,000 million;

- (b) the historical total contract sum of the CSC Construction Engagement Transactions for each of the two financial years ended 31 December 2022 and the six months ended 30 June 2023 respectively, and that the Company expects its PRC construction business will be in a stable and improving trend and expects more tenders which are suitable for the Company for the next three years ending 31 December 2026;
- (c) the expected total contract sum within the range of RMB2,000 million to RMB3,000 million of the CSCECL Group's construction works in the PRC for which the CSCECL Group will invite the Group to participate in competitive tenders from time to time for each of the three financial years ending on 31 December 2026, which is estimated based on the number and size of the construction projects of the CSCECL Group in the PRC available for tender and suitable for the Group during the two financial years ended 31 December 2022 and the six months ended 30 June 2023; and
- (d) the relatively unstable historical contract sums of the CSC Construction Engagement Transactions were primarily due to the unexpected delay in the tendering process of certain projects under the pandemic and that some of the submitted tenders were not eventually awarded to the Group by the CSCECL Group. Moreover, the number of construction projects for which the Group is interested in tendering could fluctuate at times upon considering such projects' suitability, echoed by the unpredictability nature of tender outcomes, which would in turn affect the contract sums awarded to the Group by the CSCECL Group. As the tendering process and construction schedule for PRC construction projects resume normal, the Group expects that the total contract sum of construction projects of the CSCECL Group which the Group may tender for will continue to grow steadily as compared to the abovementioned historical contract sums.

The CSC Construction Engagement Cap is estimated based on the expected total sums of new PRC construction projects that may be awarded by the CSCECL Group to the Group for the three years ending 31 December 2026, which already caters for future business growth, inflation, and any unforeseen changes in market conditions including an unexpected increase in demand of construction works and/or unexpected increase in the contract sum contracted to the Group, thereby providing a degree of flexibility.

The CSC Construction Engagement Transactions contemplated under the New CSCECL Construction Engagement Agreement (together with the CSC Construction Engagement Cap) will take effect conditional upon the Independent Shareholders' approval having been obtained at the EGM.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As the Previous CSCECL Construction Engagement Agreement entered into between the Company and CSCECL will expire on 31 December 2023, the Company and CSCECL have entered into the New CSCECL Construction Engagement Agreement.

CSCECL has substantial experience in construction markets. In the cases where the Group considers that contracting its construction, project management and/or project consultancy works, and/or procuring project construction material from suppliers for its construction works would be more efficient and effective, the CSCECL Construction Engagement Transactions contemplated under the New CSCECL Construction Engagement Agreement provides the Company with the option to engage the CSCECL Group (subject to successful tender) as Contractors for its construction works. The Directors believe that such arrangement will continue to benefit the Group by leveraging the substantial experience and the specific construction qualifications of the CSCECL Group, and by better cost and time efficiency in managing its construction projects.

The CSCECL Group has been engaging in many construction works in various cities of the PRC. The Directors consider that the CSC Construction Engagement Transactions will continue to provide opportunities for the Group to strengthen and further develop its construction related business and qualifications in the PRC through its participation in CSCECL Group's construction works in the PRC as Contractors. The Directors also believe that since the CSCECL Group and the Group have a long-term relationship of cooperation, the Group has a better understanding of the operations and development of the CSCECL Group. It is expected that the Group will be able to participate in the construction works of the CSCECL Group in an expedient, cost efficient and smooth manner, which will be beneficial to both the Group and the CSCECL Group.

In addition, the Directors consider that the CSCECL Construction Engagement Transactions and the CSC Construction Engagement Transactions will allow the Group to draw on the substantial construction experiences and resources of the CSCECL Group in the PRC whereby creating favourable conditions for the Group's business development in the PRC.

The Directors (other than the independent non-executive Directors whose opinion will be provided after reviewing the advice of the Independent Financial Adviser) consider that the CSCECL Construction Engagement Transactions and the CSC Construction Engagement Transactions contemplated under the New CSCECL Construction Engagement Agreement are expected to be entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm's length negotiations between the parties, and the terms of the CSCECL Construction Engagement Transactions and the CSC Construction Engagement

Transactions contemplated under the New CSCECL Construction Engagement Agreement (together with the CSCECL Construction Engagement Cap and CSC Construction Engagement Cap) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

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

CSCECL is the holding company of COHL which, in turn, is the controlling shareholder of the Company. 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 and the Company. 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 the Company by virtue of it being interested in approximately 64.81% of the issued share capital of the Company. CSCECL is the intermediate holding company of the Company. Accordingly, members of the CSCECL Group are connected persons of the Company. Each of the CSCECL Construction Engagement Transactions and the CSC Construction Engagement Transactions contemplated under the New CSCECL Construction Engagement Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined under the Listing Rules in respect of the maximum total contract sum that may be awarded by the Group to the CSCECL Group for each year under the New CSCECL Construction Engagement Agreement, i.e. the CSCECL Construction Engagement Cap, exceed 5%, the CSCECL Construction Engagement Transactions contemplated under the New CSCECL Construction Engagement Agreement are subject to the annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined under the Listing Rules in respect of the maximum total contract sum that may be awarded by the CSCECL Group to the Group for each year under the New CSCECL Construction Engagement Agreement, i.e. the CSC Construction Engagement Cap, exceed 5%, the CSC Construction Engagement Transactions contemplated under the New CSCECL Construction Engagement Agreement are subject to the annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An independent board committee of the Company comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the CSCECL Construction Engagement Transactions and the CSC Construction Engagement Transactions. Red Sun has been appointed as the independent financial adviser to advise the independent board committee of the Company and the Independent Shareholders in this connection. Voting at the EGM will be conducted by poll and CSCECL and its associates will abstain from voting at the EGM.

None of the Directors has any material interest in the New CSCECL Construction Engagement Agreement and the transactions contemplated thereunder. However, Mr. Zhang Haipeng, being the chairman and executive director of the Company and a director of COHL, Mr. Yan Jianguo, being non-executive director of the Company and the chairman and president of COHL, and Mr. Chen Xiaofeng, being non-executive director of the Company, have voluntarily abstained from voting on the Board resolutions approving the entering into of the New CSCECL Construction Engagement Agreement and the transactions contemplated thereunder (together with the CSCECL Construction Engagement Cap and the CSC Construction Engagement Cap).

A circular containing, among other things, further particulars of the CSCECL Construction Engagement Transactions and the CSC Construction Engagement Transactions together with, the recommendations of the independent board committee of the Company, a letter from the Independent Financial Adviser to the independent board committee of the Company and the Independent Shareholders, and a notice convening the EGM will be expected to be despatched to the Shareholders on or before 1 December 2023 as the Company expects additional time will be required to prepare and finalize the information to be included in the circular.

Shareholders should note that each of the CSCECL Construction Engagement Cap and the CSC Construction Engagement Cap represents the best estimates by the Directors of the amount of the relevant transactions based on the information currently available. Each of the CSCECL Construction Engagement Cap and the CSC Construction Engagement Cap bears 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 CSCECL Group to engage in construction related works up to the level of the CSCECL Construction Engagement Cap, if at all, as its engagement is subject to tender procedures which are open to other independent third parties. Similarly, the CSCECL Group may or may not retain the Group to engage in construction related works up to the level of the CSC Construction Engagement Cap, if at all, as its engagement is subject to tender procedures which are open to other independent third parties.

DEFINITIONS

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

“associate(s)”, “connected person(s)”, “continuing connected transaction(s)”, “controlling shareholder(s)”, “holding company”, “percentage ratios” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of the Company;
“COHL”	China Overseas Holdings Limited (中國海外集團有限公司), a company incorporated in Hong Kong with limited liability, is a wholly owned subsidiary of CSCECL and the controlling shareholder of the Company;
“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);

“Contractors”	collectively, construction contractor (main contractor and sub-contractor), project management contractor, project consultant and/or construction material supplier;
“CSC Construction Engagement Cap”	the maximum total contract sum of the construction contracts, project management contracts, project consultancy contracts, project design contracts and construction material supplying contracts that may be awarded by the CSCECL Group to the Group for each year under the New CSCECL Construction Engagement Agreement;
“CSC Construction Engagement Transactions”	the engagement by the CSCECL Group of the Group as Contractors for the CSCECL Group’s construction works as described under the section headed “THE NEW CSCECL CONSTRUCTION ENGAGEMENT AGREEMENT - CSC Construction Engagement Transactions” in this announcement;
“CSCEC”	中國建築集團有限公司 (China State Construction Engineering Corporation*), a limited liability company organised and existing under the laws of the PRC, being the ultimate holding company of each of CSCECL, COHL and the Company;
“CSCECL”	中國建築股份有限公司 (China State Construction Engineering Corporation Limited), a joint stock limited company established in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 601668) and a non-wholly owned subsidiary of CSCEC and the holding company of COHL;
“CSCECL Construction Engagement Cap”	the maximum total contract sum of the construction contracts, project management contracts, project consultancy contracts, project design contracts and construction material supplying contracts that may be awarded by the Group to the CSCECL Group for each year under the New CSCECL Construction Engagement Agreement;

“CSCECL Construction Engagement Transactions”	the engagement by the Group of the CSCECL Group as Contractors for the Group’s construction works as described under the section headed “THE NEW CSCECL CONSTRUCTION ENGAGEMENT AGREEMENT - CSCECL Construction Engagement Transactions” in this announcement;
“CSCECL Group”	CSCECL and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange and their respective subsidiary(ies)) from time to time;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be held to consider and approve the New CSCECL Construction Engagement Agreement and the transactions contemplated thereunder;
“Group”	the Company and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time;
“Historical CSC Construction Engagement Cap”	The maximum total contract sum that might be awarded by the CSCECL Group to the Group in respect of the CSCECL Group’s construction works for each of the three financial years ending 31 December 2023 under the Previous CSCECL Construction Engagement Agreement;
“Historical CSCECL Construction Engagement Cap”	The maximum total contract sum that might be awarded by the Group to the CSCECL Group in respect of the Group’s construction works for each of the three financial years ending 31 December 2023 under the Previous CSCECL Construction Engagement Agreement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Independent Financial Adviser” or “Red Sun”	Red Sun Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the independent board committee of the Company and the Independent Shareholders in respect of the New CSCECL Construction Engagement Agreement and the transactions contemplated thereunder;
“Independent Shareholders”	shareholder(s) of the Company, other than CSCECL and its associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New CSCECL Construction Engagement Agreement”	the engagement agreement entered into between the Company and CSCECL on 20 October 2023 in respect of the CSCECL Construction Engagement Transactions and the CSC Construction Engagement Transactions;
“PRC”	People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“Previous CSCECL Construction Engagement Agreement”	the engagement agreement entered into between the Company and CSCECL on 19 October 2020 in respect of continuing connected transactions of the Company involving (i) the engagement by the Group of the CSCECL Group as Contractors for the Group’s construction works; and (ii) the engagement by the CSCECL Group of the Group as Contractors for CSCECL Group’s construction works;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the shareholder(s) of the Company from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and

“%”

per cent..

* *English translation for identification purpose only.*

By Order of the Board
**China State Construction
International Holdings Limited**
Zhang Haipeng
Chairman and Executive Director

Hong Kong, 20 October 2023

As at the date of this announcement, the Board comprises Mr. Zhang Haipeng as Chairman and Executive Director; Mr. Yan Jianguo and Mr. Chen Xiaofeng as Non-executive Directors; Mr. Wang Xiaoguang (Chief Executive Officer) and Mr. Hung Cheung Shew as Executive Directors; and Dr. Raymond Leung Hai Ming, Ms. Wong Wai Ching and Mr. Chan Tze Ching Ignatius as Independent Non-executive Directors.