中國建築興業集團有限公司
CHINA STATE CONSTRUCTION DEVELOPMENT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 830)

CONTINUING CONNECTED TRANSACTIONS WITH CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED IN RELATION TO LEASING OF PROPERTIES

On 23 June 2026, the Company and CSC entered into the CSC Leasing Framework Agreement, pursuant to which, among others, the Group may lease properties from CSC Group and CSC Associated Companies from time to time for a term of three years commencing from 1 July 2026 and ending on 30 June 2029 (both dates inclusive), subject to the CSC Leasing Caps.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CSC is indirectly interested in approximately 70.79% of the issued share capital of the Company and is a controlling shareholder of the Company. Accordingly, members of each of CSC Group and CSC Associated Companies are connected persons of the Company. The transactions contemplated under the CSC Leasing Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the COLI Leasing Framework Agreement and the CSC Leasing Framework Agreement were entered into with parties who are connected with one another within a 12-month period, and were of similar nature, all of the Leasing Transactions are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules. As the applicable percentage ratios in respect of the Leasing Caps exceed 0.1% but are less than 5%, the Leasing Transactions are subject to annual review, reporting and announcement requirements but exempt from independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules. For the avoidance of doubt, any variable amount of rents, short-term or low-value assets lease payments and other fees and expenses (if any) will be de minimis transactions and fully exempt from the requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

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THE CSC LEASING FRAMEWORK AGREEMENT

Date

23 June 2026

Parties

1. The Company; and
2. CSC.

Term

The CSC Leasing Framework Agreement shall take effect on 1 July 2026 and shall continue for the period ending on 30 June 2029 (both dates inclusive).

Subject matter

Under the CSC Leasing Framework Agreement, the parties agreed, among other things, that:

(a) they shall enter into, and shall procure their respective relevant subsidiaries to enter into, the CSC Leasing Transactions in accordance with the terms of the CSC Leasing Framework Agreement and in the ordinary and usual course of their respective businesses within the limit of the CSC Leasing Caps on a non-exclusive basis as and when reasonably required. The Company shall also ensure that all CSC Leasing Transactions will be entered into with the CSC Associated Companies (if any) on the same basis;

(b) in respect of each CSC Leasing Transaction, the relevant member(s) of CSC Group and the relevant member(s) of the Group shall enter into a written tenancy agreement ("**Individual Agreement(s)**"), setting out other detailed terms and conditions (including but not limited to, where applicable, the term of the lease, the amounts, calculations and adjustments of rent, security deposits, air conditioning charges, management fees, promotion levies and other contributions, charges and fees, payment terms, any rent-free period, any option terms and provisions for early termination for cause or for convenience). The CSC Leasing Framework Agreement shall prevail to the extent of any inconsistency with any such Individual Agreement;

(c) the total value of the right-of-use assets which may be recognised by the Group for the CSC Leasing Transactions under the CSC Leasing Framework Agreement for each of (i) the period from 1 July 2026 to 31 December 2026; (ii) the year ending 31 December 2027; (iii) the year ending 31 December 2028; and (iv) the period from 1 January 2029 to 30 June 2029, shall not exceed HK$22 million, HK$22 million, HK$22 million, and HK$11 million (that is, the CSC Leasing Caps), respectively; and

(d) the rent for the properties leased to the Group shall be paid on monthly basis and in accordance with the terms of the Individual Agreement.

Pricing basis

The rent (exclusive of rates, government rent, water charges, cleaning charges and electricity charges) for the properties to be leased by the Group will be determined by the relevant parties to the Individual Agreements with reference to (a) location, size, floor level, condition, age, accessibility, permitted use, facilities and management standard of the properties; (b) the terms offered by CSC Group and CSC Associated Companies to the potential tenant and independent third parties under the existing or previous lease agreements (if any); (c) number of properties to be leased by the potential tenant; and (d) the prevailing market rent of at least three comparable properties in the proximity, and shall be on normal commercial terms and terms no less favourable to the Group than those offered to independent third parties for comparable properties.

In assessing the fairness and reasonableness of the rent, the Group will review market rental information of comparable properties obtained from independent property agents and/or publicly available market information.

Internal control policies and procedures

In order to ensure that CSC Leasing Transactions will be conducted in accordance with the terms of the CSC Leasing Framework Agreement, in particular the pricing basis thereunder, and that the relevant CSC Leasing Caps will not be exceeded, the Group will adopt the following internal control measures:

– before entering into any Individual Agreement, the General Office of the relevant subsidiary of the Company will collect market rental information of comparable properties in the same district or nearby areas from independent property agents, landlords, online property databases and/or publicly available market sources, and compare such information with the proposed rent and terms offered by CSC Group and CSC Associated Companies;

– the General Office and the Finance and Treasury Department of the Company will assess whether the proposed terms of the individual lease, including the rent, management fees, deposit, rent-free period, lease term, renewal terms and other ancillary terms, are in line with the pricing basis and other terms set out in the CSC Leasing Framework Agreement and are no less favourable to the Group than those offered by independent third parties for comparable properties;

– the Legal Department of the Company will review each Individual Agreement before execution to ensure that its terms are consistent with the principal terms, scope and pricing basis under the CSC Leasing Framework Agreement;

– where considered necessary or appropriate, the Group will obtain additional quotations from independent third parties to further assess the fairness and reasonableness of the rent and other terms of the relevant individual lease;

– the Finance and Treasury Department of the Company will monitor the connected transactions conducted under the CSC Leasing Framework Agreement to ensure that they are conducted in accordance with the terms of the CSC Leasing Framework Agreement and the CSC Leasing Caps will not be exceeded. A walk through test is conducted annually to ensure that the CSC Leasing Transactions are adhered to the internal control measures of the Group; and

– the Finance and Treasury Department of the Company will also prepare biannual reports which contain a summary of the connected transactions conducted under the CSC Leasing Framework Agreement during the period under review and such reports will be submitted to the audit committee and the Board for review.

Calculation of the CSC Leasing Caps

The CSC Leasing Caps are calculated with reference to the capitalized value of the right-of-use assets (as defined under Hong Kong Financial Reporting Standard ("**HKFRS**") 16 – Leases) in respect of the new leases expected to be entered into under the CSC Leasing Framework Agreement which are determined with reference to the following factors:

(a) future projection of the number of properties to be needed by the Group and available from CSC Group and CSC Associated Companies in the period commencing from 1 July 2026 and ending 30 June 2029, and their respective size, locations and attributes, the prevailing and expected market rent level of comparable properties over the PRC in the vicinity of similar ages, sizes, uses and attributes; and

(b) (i) for the period between 1 July 2026 and 31 December 2026, the CSC Leasing Caps of HK$22 million is estimated based on the right-of-use asset value of the identified leases under negotiation with CSC Group in the amount of approximately HK$12 million and the right-of-use asset value of the potential leases expected to be entered into by the Group with CSC Group and CSC Associated Companies in the amount of approximately HK$10 million; (ii) for the years ending 31 December 2027 and 2028, the CSC Leasing Caps of HK$22 million and HK$22 million, respectively, are estimated based on the right-of-use asset value of the potential leases to be entered into by the Group with CSC Group and CSC Associated Companies during the relevant years/periods; and (iii) for the period between 1 January 2029 and 30 June 2029, the CSC Leasing Caps of HK$11 million is estimated on a pro-rata basis for the potential leases as required for the years ending 31 December 2027 and 2028.

Reasons for and benefits of the entering into of the CSC Leasing Framework Agreement

The properties to be leased by the Group under the CSC Leasing Framework Agreement are expected to be used for office premises, which are required for the Group's business operations from time to time. The Directors are of the view that the CSC Leasing Framework Agreement will provide the Group with the necessary operational flexibility to secure suitable properties for its administrative and corporate needs in a timely manner under a streamlined framework. By formalizing this arrangement with CSC Group, the Group will benefit from a reliable landlord that will arrange for the proper management and maintenance of the properties, thereby reducing the risk of operational disruptions arising from landlord disputes or building neglect.

The Directors believe that the entering into of the CSC Leasing Framework Agreement will ensure the Group's stability in using the relevant properties owned and/or operated by CSC Group and CSC Associated Companies, and enable the Group to regulate the future leasing agreements with them by means of the CSC Leasing Framework Agreement. Also, the Group will be able to avoid any unnecessary disruption to the operations of the Group and minimise any unnecessary relocation costs.

The terms of the CSC Leasing Framework Agreement were determined after arm's length negotiation between the Company and CSC with reference to the prevailing market rent level of comparable properties in the vicinity of similar ages, sizes, uses and attributes.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the CSC Leasing Framework Agreement are expected to be entered into in the ordinary and usual course of business of the Group, and the CSC Leasing Framework Agreement (together with the CSC Leasing Caps) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under the CSC Leasing Framework Agreement (together with the CSC Leasing Caps) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

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As the COLI Leasing Framework Agreement and the CSC Leasing Framework Agreement were entered into with parties who are connected with one another within a 12-month period, and were of similar nature, all of the Leasing Transactions are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules. As the applicable percentage ratios in respect of the Leasing Caps exceed 0.1% but are less than 5%, the Leasing Transactions are subject to annual review, reporting and announcement requirements but exempt from independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules. For the avoidance of doubt, any variable amount of rents, short-term or low-value assets lease payments and other fees and expenses (if any) will be de minimis transactions and fully exempt from the requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the CSC Leasing Framework Agreement or the transactions contemplated thereunder and no Director is required to abstain from voting on the Board resolution(s) approving the entering into of the CSC Leasing Framework Agreement and the transactions contemplated thereunder (together with the CSC Leasing Caps). However, Mr. Wang Xiaoguang, being the chairman and non-executive director of the Company, and executive director and the chief executive officer of CSC, had voluntarily abstained from voting on the Board resolutions approving the entering into of the CSC Leasing Framework Agreement and the transactions contemplated thereunder (together with the CSC Leasing Caps).

INFORMATION OF THE PARTIES

The Group is principally engaged in general contracting business, facade contracting business (including design, engineering, manufacture and installation of curtain wall system) and operating management business.

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

CSCEC is the ultimate holding company of each of the Company and CSC. 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.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“COLI”	China Overseas Land & Investment Limited, 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 Associated Companies"	companies which respective issued share capital or equity interest is held as to not less than 30% and not more than 50% by COLI Group, and the respective subsidiaries of such companies from time to time (excluding any such companies listed on any stock exchange, and in particular China Overseas Grand Oceans Group Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 81) and which is held as to approximately 39.63% by COLI Group, and its subsidiaries)
"COLI Group"	COLI and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange and their respective subsidiary(ies), if any) from time to time
"COLI Leasing Framework Agreement"	the framework agreement entered into between the Company and COLI on 23 June 2026 in respect of the COLI Leasing Transactions for a term of three years commencing from 1 July 2026 and ending on 30 June 2029 (both dates inclusive), details of which are set out in the announcement of the Company dated 23 June 2026
"COLI Leasing Caps"	the maximum aggregate right-of-use assets which may be recognised by the Group (as lessee) for the COLI Leasing Transactions with COLI Group and COLI Associated Companies (as lessor) for the relevant years/periods under the COLI Leasing Framework Agreement
"COLI Leasing Transactions"	any member of COLI Group and COLI Associated Companies leasing properties to any member of the Group
"Company"	China State Construction Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 830)

"connected persons", "connected transactions", "continuing connected transaction(s)", "controlling shareholder", "holding company", "percentage ratios" and "subsidiary(ies)"	each has the meaning ascribed to it under the Listing Rules
"CSC"	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)
"CSC Associated Companies"	companies which respective issued share capital or equity interest is held as to not less than 30% and not more than 50% by CSC Group, and the respective subsidiaries of such companies from time to time
"CSC Group"	CSC and its subsidiaries (excluding the Group) from time to time
"CSC Leasing Framework Agreement"	the framework agreement entered into between CSC and the Company on 23 June 2026 in respect of the CSC Leasing Transactions for a term of three years commencing from 1 July 2026 and ending on 30 June 2029 (both dates inclusive)
"CSC Leasing Caps"	the maximum aggregate right-of-use assets which may be recognised by the Group (as lessee) for the CSC Leasing Transactions with CSC Group and the CSC Associated Companies (if any) (as lessor) for the relevant years/periods under the CSC Leasing Framework Agreement
"CSC Leasing Transactions"	any member of CSC Group and CSC Associated Companies leasing properties to any member of the Group
"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 and the ultimate holding company of each of the Company and CSC
"Director(s)"	director(s) 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
"Leasing Caps"	collectively, the COLI Leasing Caps and the CSC Leasing Caps
"Leasing Transactions"	collectively, the COLI Leasing Transactions and the CSC Leasing Transactions
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	The People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

* *For identification purpose only*

By Order of the Board
China State Construction Development Holdings Limited
Wang Xiaoguang
Chairman and Non-executive Director

Hong Kong, 23 June 2026

As at the date of this announcement, the Board comprises Mr. Wang Xiaoguang as Chairman and Non-executive Director; Mr. Zhu Haiming (Chief Executive Officer) and Mr. Wong Man Cheung as Executive Directors; Mr. Huang Jiang as Non-executive Director; and Mr. Zhou Jinsong, Ms. Chan Man Ki Maggie and Mr. Sit Wing Hang as Independent Non-executive Directors.