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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)

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
CONTINUING CONNECTED TRANSACTIONS
AND
RESUMPTION OF TRADING**

THE PROPOSED ACQUISITIONS

The Board announces that on 20 July 2007, the Company and COHL entered into the following sale and purchase agreements:

- (i) the Hong Kong Agreement pursuant to which the Company has agreed to purchase and COHL has agreed to sell the Hong Kong Sale Shares for an amount not exceeding HK\$400,000,000;
- (ii) the Macau Agreement pursuant to which the Company has agreed to purchase and COHL has agreed to sell the Macau Sale Shares for an amount not exceeding HK\$100,000,000; and
- (iii) the PRC Agreement pursuant to which the Company has agreed to purchase and COHL has agreed to sell the PRC Interests for an amount not exceeding HK\$20,000,000.

COHL is interested in approximately 62.89% of the issued share capital of the Company and is a connected person of the Company. The Proposed Acquisitions constitute discloseable and connected transactions of the Company under the Listing Rules and will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Upon completion of the PRC Agreement, SCOCL will become a subsidiary of the Company. COLI is owned as to approximately 50.12% by COHL and is an associate of COHL. Accordingly, transactions between SCOCL and COLI will constitute connected transactions of the Company under the Listing Rules upon Completion of the PRC Agreement.

On 22 November 2005, COLI entered into the SCOCL Engagement Agreement with SCOCL, pursuant to which the COLI Group engaged SCOCL as its construction contractor in the PRC upon successful tender of construction contracts for each of the three financial years ending 31 December 2008 subject to the annual cap stipulated in the SCOCL Engagement Agreement.

As the annual cap under the SCOCL Engagement Agreement will exceed the 2.5% threshold provided in Rule 14A.34 of the Listing Rules, the Continuing Connected Transactions between COLI and SCOCL will upon completion of the PRC Agreement become non-exempt continuing connected transactions for the Company and will be subject to the requirements of reporting, announcement and approval by the Independent Shareholders.

An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Proposed Acquisitions and the Continuing Connected Transactions. The votes of the Independent Shareholders to be taken at the EGM to approve the Proposed Acquisitions and the Continuing Connected Transactions will be taken by poll where COHL and its associates will abstain from voting.

DESPATCH OF CIRCULAR

A circular containing, amongst others, details of the Proposed Acquisitions and the Continuing Connected Transactions, together with the advice from the Independent Board Committee, the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and the notice of the EGM to approve the Proposed Acquisitions and the Continuing Connected Transactions will be sent to the Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

This announcement is also made pursuant to Rule 13.09 of the Listing Rules. The Proposed Acquisitions were approved by the Directors after 4:00 p.m. on 20 July 2007. At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on 23 July 2007 pending the release of this announcement and the announcement in connection with the Open Offer. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on 24 July 2007.

THE PROPOSED ACQUISITIONS

Pursuant to the Hong Kong Agreement, the Macau Agreement and the PRC Agreement, COHL has agreed to sell to the Company or its nominee (1) the Hong Kong Sale Shares; (2) the Macau Sale Shares; and (3) the PRC Interests. The Hong Kong Agreement, the Macau Agreement and the PRC Agreement are all independent of each other. Further, the Proposed Acquisitions and the Open Offer are independent events. If the Open Offer does not proceed, the Proposed Acquisition will be funded by internal resources of the Company. The Open Offer is not conditional upon the Proposed Acquisition and the Proposed Acquisitions are not conditional upon the Open Offer.

COHL is interested in approximately 62.89% of the issued share capital of the Company and is a connected person of the Company. Accordingly, the Proposed Acquisitions constitute discloseable and connected transactions of the Company under the Listing Rules and will be subject to the reporting, announcement and Independent Shareholders' approval requirements of Chapter 14A of the Listing Rules. There are no prior transactions with COHL that require aggregation under Rules 14.22 and 14A.25 of the Listing Rules.

The Hong Kong Agreement

Date: 20 July 2007

Parties:

- (1) COHL as the Vendor
- (2) the Company and/or its nominee as the Purchaser

Consideration

The aggregate consideration for the Hong Kong Sale Shares will be determined on the basis of the price to book value of the business of COIL and COISL as at 31 December 2006, as determined by Greater China Appraisal Ltd, an independent valuer appointed by the Company, and the management accounts of COIL and COISL as at 31 May 2007. The aggregate consideration will not exceed HK\$400,000,000 and will be payable by the Company within 14 days of completion. The consideration will be satisfied by proceeds of the Open Offer. If the Open Offer does not proceed, the proposed Hong Kong Acquisition will be funded by internal resources of the Company.

Conditions

Completion of the Hong Kong Acquisition is conditional upon fulfilment of the following conditions:

- (a) approval of the Insurance Authority for the Company to become a controller of COIL in accordance with the requirements of section 13B of the Insurance Companies Ordinance;
- (b) receipt of a valuation report by an independent valuer by 25 August 2007 to be obtained by the Company;
- (c) receipt by each of COIL and COISL of all relevant consents and approvals from third parties as may be necessary in conjunction with the proposed change in shareholding of COIL and COISL so as to ensure that each of COIL and COISL maintains all its existing material contractual and other rights and assets in their current state following Completion and such consents and approvals not being revoked, withdrawn or modified at any time before Completion; and
- (d) the Independent Shareholders approving the Hong Kong Agreement at a duly convened and held EGM of the Company in accordance with the Listing Rules.

The condition set out in paragraph (c) above may be waived by the Company. If the conditions set out above are not fulfilled or waived by 31 December 2007, or such later date as may be agreed by the parties, the Hong Kong Agreement will terminate and cease to be of any effect save for any antecedent breach.

Completion

Subject to the fulfilment of the Conditions, Completion of the Hong Kong Acquisition shall take place on 5 Business Days after the satisfaction or waiver of all the Conditions.

Information on COIL and COISL

COIL is a company incorporated in Hong Kong and is engaged in the general insurance business in Hong Kong. COIL is principally engaged in the business of underwriting insurance policies on contractors' all risks, employees' compensation, property damage and general liability. COIL is authorised under the Insurance Companies Ordinance (Chapter 41 of The Laws of Hong Kong) to carry on general insurance business in or from Hong Kong. COHL is the sole beneficial owner of COIL. The audited profit before tax and extraordinary items of COIL prepared in accordance with HKAS for the two years ended 31 December 2005 and 31 December 2006 were HK\$48,555,531 and HK\$36,508,933 respectively. The audited profit after tax of COIL prepared in accordance with HKAS for the two years ended 31 December 2005 and 31 December 2006 were HK\$42,488,099 and HK\$32,422,505 respectively. The audited net asset value of COIL as at 31 December 2005 and 31 December 2006 prepared in accordance with HKAS were HK\$190,272,967 and HK\$177,598,615 respectively.

COISL is a company incorporated in Hong Kong and is engaged in the provision of insurance brokerage services in Hong Kong. COHL is the sole beneficial owner of COISL. The audited profit before tax and extraordinary items of COISL prepared in accordance with HKAS for the two years ended 31 December 2005 and 31 December 2006 were HK\$1,766,696 and HK\$2,008,544 respectively. The audited profit after tax of COISL prepared in accordance with HKAS for the two years ended 31 December 2005 and 31 December 2006 were HK\$1,477,033 and HK\$1,710,415 respectively. The audited net asset value of COISL as at 31 December 2005 and 31 December 2006 prepared in accordance with HKAS were HK\$10,919,156 and HK\$12,629,569 respectively.

Upon completion of the Hong Kong Acquisition, COIL and COISL will become wholly owned subsidiaries of the Company and will be treated as such in the consolidation of the Company's accounts.

The Macau Agreement

Date: 20 July 2007

Parties:

- (1) COHL as Vendor
- (2) the Company and/or its nominee as Purchaser.

Consideration

COHL (Macao) is an investment holding company. The aggregate consideration for the Macau Sale Shares will be determined on the basis of its investments in CPM and SKW, as determined by independent valuers appointed by the Company. For CPM, the valuation will be carried out by Greater China Appraisal Ltd based on the value of the business by reference to the net profit as at 31 May 2007. For SKW, the valuation will be carried out by DTZ Debenham Tie Leung Limited based on the net asset value of SKW as at 31 May 2007, taking into account fair value adjustments of properties for sale and properties under development. The aggregate consideration will not exceed HK\$100,000,000 and will be payable by the Company within 14 days of completion. The consideration will be satisfied by proceeds of the Open Offer. If the Open Offer does not proceed, the proposed Macau Acquisition will be funded by internal resources of the Company.

Conditions

Completion of the Macau Acquisition is conditional upon fulfilment of the following conditions:

- (a) the Independent Shareholders approving the Macau Agreement and the transactions contemplated thereunder at a duly convened and held EGM of the Company in accordance with the Listing Rules;
- (b) receipt of a valuation report by an independent valuer in Macau in respect of the value of SKW by 25 August 2007 to be obtained by the Company; and
- (c) all necessary consents and approvals, if applicable, in respect of the transactions contemplated under the Macau Agreement as may be necessary having been obtained from government or regulatory authorities or third parties.

The condition set out in paragraph (c) above may be waived. If the conditions set out above are not fulfilled or waived by 31 January 2008, or such later date as may be agreed by the parties, the Macau Agreement will terminate and cease to be of any effect save for any antecedent breach.

Completion

Completion of the Macau Acquisition shall take place 5 Business Days from the date of fulfilment of the last condition (or such later date as the parties may mutually agree).

Information on COHL (Macao) and Perfect Castle Limited

COHL (Macao) is a company incorporated in Macau and is engaged in investment holdings. It is currently being held as to 79% by COHL and as to 21% by Perfect Castle Limited, a wholly owned subsidiary of COHL. Perfect Castle Limited is an investment holding company. The unaudited profit before tax and extraordinary item of COHL (Macao) prepared in accordance with HKAS for the two years ended 31 December 2005 and 31 December 2006 were nil and HK\$2,694,553 respectively. The unaudited profit after tax of COHL (Macao) prepared in accordance with HKAS for the two years ended 31 December 2005 and 31 December 2006, were nil and HK\$2,694,553 respectively. The unaudited net asset value as at 31 December 2005 and 31 December 2006, were nil and HK\$2,882,733 respectively. Upon completion of the Macau Acquisition, Perfect Castle Limited and COHL (Macao) will become wholly owned subsidiaries of the Company and will be treated as such in the consolidation of the Company's accounts.

COHL (Macao) owns 30% equity interest in CPM and 15% equity interest in SKW. CPM is principally engaged in the operation of car parks in Macau while SKW is principally engaged in the business of property holding and development in Macau. The unaudited profit before and after tax of CPM and SKW prepared in accordance with HKAS for the year ended 31 December 2006 were HK\$15,639,000 and HK\$8,052,000 respectively. The unaudited net asset value of CPM and SKW prepared in accordance with HKAS as at 31 December 2006 were approximately HK\$38,938,000 and HK\$348,346,000 respectively. Upon completion of the Macau Acquisition, CPM will be treated as an interest in an associated company and the equity accounting method will be applied, while SKW will be treated as available for sales investment stated at cost and classified as non-current assets in the balance sheet of the Company.

The PRC Agreement

Date: 20 July 2007

Parties:

- (1) COHL as Vendor
- (2) The Company and/or its nominee, as Purchaser

Consideration

The aggregate consideration for the PRC Interests will be determined on the basis of the value of the net assets of SCOCL as at 31 May 2007, including its investments in SCOEC and Hailong, as determined by Zhuhai Accounting Firm (珠海立信合夥會計師事務所), an independent valuer appointed by the Company. The aggregate consideration will not exceed HK\$20,000,000 and will be paid by the Company within 14 days of completion. The consideration will be satisfied by proceeds of the Open Offer. If the Open Offer does not proceed, the proposed PRC Acquisition will be funded by internal resources of the Company.

Conditions

Completion of the PRC Acquisition is conditional upon fulfilment of the following conditions:

- (a) the Independent Shareholders approving the PRC Agreement and the transactions contemplated thereunder at a duly convened and held EGM of the Company in accordance with the Listing Rules; and
- (b) receipt of a valuation report by an independent valuer in the PRC by 25 August 2007 by the Company; and
- (c) all necessary consents and approvals, if applicable, in respect of the transactions contemplated under the PRC Agreement as may be necessary having been obtained from government or regulatory authorities or third parties.

The condition set out in paragraph (c) above may be waived. If the conditions set out above are not fulfilled or waived by 31 December 2007, or such later date as may be agreed by the parties, the PRC Agreement will terminate and cease to be of any effect save for any antecedent breach.

Completion

Completion of the PRC Acquisition shall take place 5 Business Days from the date of fulfilment of the last condition (or such later date as the parties may mutually agree).

Information on SCOCL

SCOCL is a company established in the PRC on 10 April 1993 and is principally engaged in acting as main contractor for building construction and contractor for civil engineering works, trading in building materials and investment holding in the PRC. The major licenses held by SCOCL for conducting its construction business

include (i) Building Construction Main Contractor Class I (房屋建築工程施工總承包壹級) and (ii) Foundation Engineering Works Contractor Class I (地基及基礎工程專業承包壹級). The registered capital of SCOCL is currently being held as to 75% by COHL and as to 25% by CSCEC. On 19 July 2007, CSCEC entered into an agreement with COHL vesting the voting rights and full economic interests in the 25% SCOCL shares it holds in COHL (“**Vesting Agreement**”). The purpose of the Vesting Agreement is to transfer all the risks and benefits in the 25% interest in SCOCL to COHL while maintaining a registered PRC interest to ensure the smooth-running of SCOCL’s operations. Pursuant to the Vesting Agreement, CSCEC agreed, in relation to the 25% SCOCL shares it holds, to assign to COHL all its rights to profits and dividend and to appoint COHL to attend and vote on its behalf at all general meetings of SCOCL, or to vote in accordance with COHL’s instructions. The rights in the 25% interest in SCOCL vested in COHL are fully transferable and COHL has an option to acquire the registered interest from CSCEC for RMB1 upon a change in PRC laws so that it is no longer a requirement of SCOCL’s construction licence to have a PRC partner. CSCEC is further restricted from disposing of its 25% registered interest in SCOCL other than in accordance with COHL’s instructions. The Company has obtained the opinion of PRC legal counsel that the Vesting Agreement complies with PRC laws. Accordingly, SCOCL will be treated as a wholly owned subsidiary of the Company upon completion of the PRC Acquisition for the purpose of Chapter 14A of the Listing Rules by reason of CSCEC having vested in COHL its economic interests in the 25% shares under the Vesting Agreement.

Both the audited loss before tax and the loss after tax of SCOCL prepared in accordance with the auditing standards in the PRC for the two years ended 31 December 2005 and 31 December 2006 were HK\$28,469,271 and HK\$35,380,038 respectively. The audited net asset value of SCOCL as at 31 December 2005 and 31 December 2006 prepared in accordance with the auditing standards in the PRC, were HK\$20,518,277 and HK\$-433,517 respectively.

SCOCL owns 100% equity interest in SCOEC and 50% equity interest in Hailong. The principal activity of SCOEC is the provision of engineering consultancy services in the PRC while the principal activity of Hailong is the manufacturing and sale of pre-cast structures. The important licenses held by SCOEC for conducting its business include the following:

- (i) 工程招標代理機構甲級資格證書 (Consulting Agency Qualification for Engineering Tender Class A);
- (ii) 房屋建築工程監理甲級 (Building Construction Consultancy Class A);
- (iii) 工程諮詢資格證書乙級 (Engineering Consultancy License Class B); and

(iv) 二、三類通過建設工程監理資質證書 (Consultancy Qualification for the 2nd and 3rd classic of Communication Engineering)

These licences do not have expiry dates.

The audited profit before tax and extraordinary items of SCOEC for the two years ended 31 December 2005 and 2006 prepared in accordance with the auditing standards in the PRC, were HK\$2,191,497 and HK\$5,910,013 respectively. The audited profit after tax of SCOEC for the two years ended 31 December 2005 and 2006 prepared in accordance with the auditing standards in the PRC, were HK\$1,875,291 and HK\$5,023,511 respectively. The audited net asset value of SCOEC for the two years ended 31 December 2005 and 2006 prepared in accordance with the auditing standards in the PRC, were HK\$9,964,191 and HK\$9,719,489 respectively.

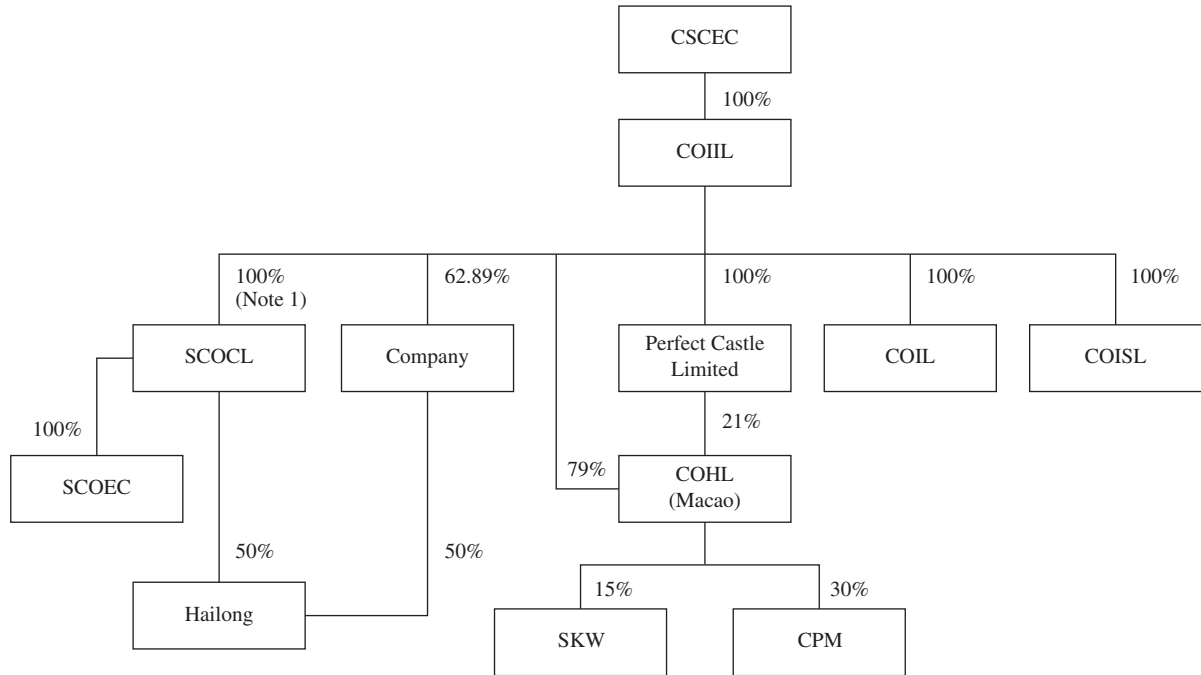
Both the audited profit before tax and the audited profit after tax of Hailong for the two years ended 31 December 2005 and 2006 prepared in accordance with the auditing standards in the PRC, were HK\$1,317,199 and HK\$2,150,907 respectively. The audited net asset value of Hailong as at 31 December 2005 and 2006 prepared in accordance with the auditing standards in the PRC were HK\$51,333,327 and HK\$54,222,103 respectively.

Upon completion of the PRC Acquisition, SCOCL, SCOEC and Hailong will become wholly owned by the Company and will be treated as such in the consolidation of the Company's accounts.

Group structure

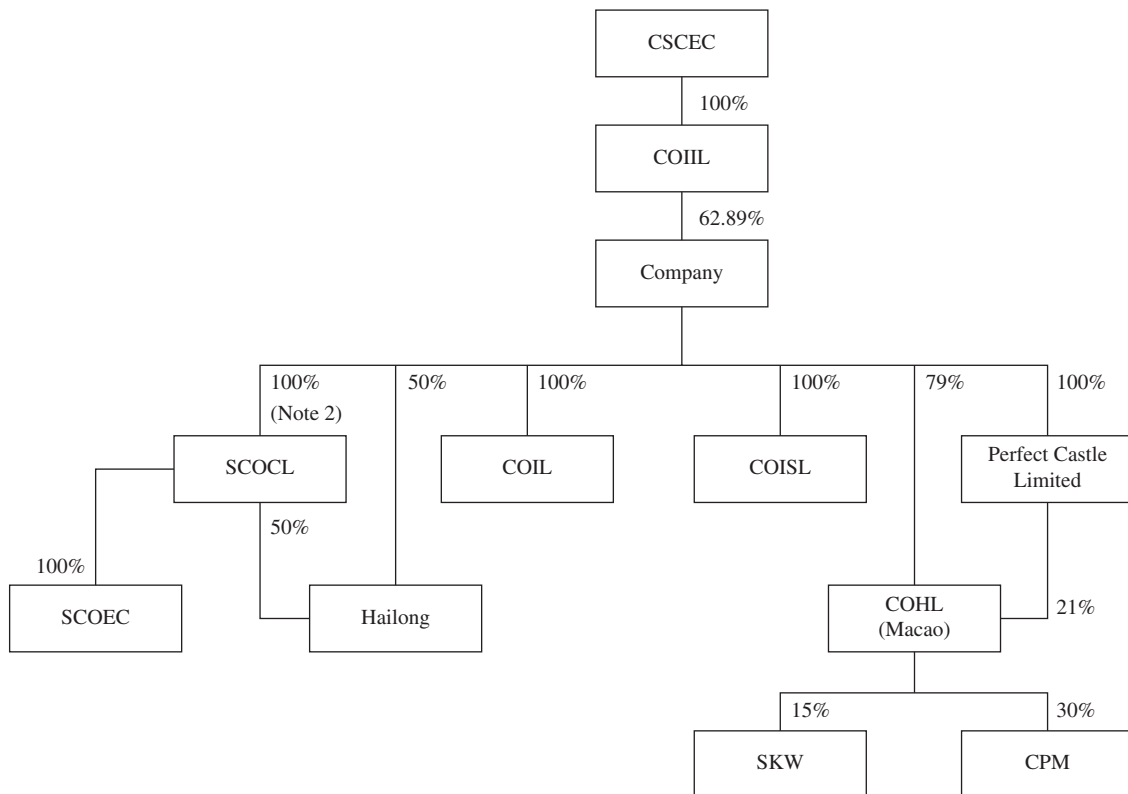
The charts below set out a simplified structure of the Group's interests in COIL, COISL, COHL (Macao) and SCOCL before and after the completion of the Proposed Acquisitions:

Before Completion



Note 1: Prior to completion of the PRC Acquisition, 75% of the interest in SCOCL is held by COHL directly. The remaining 25% is held by CSCEC, but pursuant to the Vesting Agreement, all rights in relation to those shares are vested COHL.

After Completion



Note 2: Upon completion of the PRC Acquisition, 75% of the interest in SCOCL will be held by the Company directly. The remaining 25% will be held by CSCEC, but all rights in relation to those shares shall be vested in the Company having acquired the same from COHL.

Reason for the Proposed Acquisitions

The Group is insured against risks associated with construction projects (including third party liability), workers' compensation, and damage to vehicles, machinery and property. The bulk of the Group's insurance is maintained with COIL and the majority of COIL's and COISL's respective turnover are generated from sales to the Group. The Hong Kong Acquisition represents a consolidation of the construction and construction-related business of COHL under the Company and supplements the Company's business needs. The Directors believe that the acquisition of COIL and COISL will facilitate the Company's operations and open new revenue streams.

COHL (Macao) holds 30% interest in CPM, a car park operator, and 15% interest in SKW, a properties holdings and development company, respectively. The Macau Acquisition will allow the Company to apply the Group's resources in taking advantage of Macau's thriving economy and the increase in property value, and open up a steady revenue stream for the Company, increasing shareholder value.

SCOCL and SCOEC have the necessary licences to undertake building construction engineering works, foundations engineering works and engineering consultancy services in the PRC. The PRC Acquisition presents a platform for the Company to enter the PRC market and to further the Company's plans to expand its business, by investing in construction related projects in the PRC. The Directors believe that the PRC Acquisition will facilitate the Company's business development and open a gateway to opportunities in the PRC market.

The Directors consider that the Proposed Acquisitions have been made on normal commercial terms and after arm's length negotiations. The terms are fair and reasonable so far as the Company and the Shareholders are concerned and that the Proposed Acquisitions are in the interest of the Company and the Shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS

Upon Completion, SCOCL will become wholly owned by the Company.

On 22 November 2005, SCOCL entered into the SCOCL Engagement Agreement with COLI, pursuant to which the COLI Group engaged SCOCL as its construction contractor in the PRC upon successful tender of construction contracts for each of the three financial years ending 31 December 2008 subject to the annual cap stipulated in the SCOCL Engagement Agreement. The terms and conditions of the SCOCL Engagement Agreement was announced by COLI on 22 November 2005 and approved by the shareholders of COLI on 29 December 2005. COLI is owned as to approximately 50.12% by COHL and is an associate of COHL. Upon completion of the PRC Agreement, such transactions under the SCOCL Engagement Agreement will constitute connected transactions of the Company under the Listing Rules.

The SCOCL Engagement Agreement

Date: 22 November 2005

Parties:

- (1) SCOCL
- (2) COLI

Term

A fixed term not exceeding three years and will expire on 31 December 2008.

Pursuant to the SCOCL Engagement Agreement, the parties agreed that:

- (a) SCOCL may tender for the COLI Group's construction works in the PRC in accordance with the tendering procedure of the COLI's Group from time to time and on the same and normal terms as offered to other independent third party construction contractors; and
- (b) if any contract is granted in favour SCOCL as a result of the above tender, SCOCL may act as construction contractor for the COLI Group in the PRC based on the terms of the successful tender provided that the total contract sum to be awarded by the COLI Group to SCOCL each year shall not exceed HK\$1,600 million for each of the three financial years ending 31 December 2008 (the "SCOCL Cap").

The SCOCL Cap is determined with reference to the following factors:

- (i) total contract sum of construction projects in the PRC of the COLI Group in each of the past three years ended 31 December 2004 of approximately HK\$1,651 million, HK\$1,378 million and HK\$3,216 million respectively, including the projects set out in (ii) below;
- (ii) total contract sum of new construction projects awarded to SCOCL each year for the past three years ended 31 December 2004 of nil, approximately HK\$175 million and HK\$143 million respectively, representing nil, approximately 13% and 4% of COLI's new PRC projects for the respective period;
- (iii) total contract sum of new construction projects in the PRC of the COLI Group in each of the three financial years ending 31 December 2008 estimated with reference to the COLI Group's future growth and expansion in its land reserves in the PRC in the three years; and
- (iv) the maximum amount of projects which may be awarded by the COLI Group to SCOCL in the three financial years ending 31 December 2008 should not exceed 15% to 20% of the COLI Group's total contract sum of new construction projects in the PRC as mentioned in (iii) above, such percentage being determined with reference to the percentage level set out in (ii) above, but in any event will not exceed the amount of the SCOCL Cap.

Out of the HK\$1,600 million annual SCOCL Cap, the amount of the SCOCL Cap utilised in 2006 and 2007 were HK\$39 million and Nil, respectively.

Reasons for the Continuing Connected Transactions

As the annual cap under the SCOCL Engagement Agreement will exceed the 2.5% threshold provided in Rule 14A.34 of the Listing Rules, the continuing connected transaction between COLI and SCOCL will upon completion of the PRC Acquisition become non-exempt continuing connected transaction for the Company subject to the requirements of reporting, announcement and approval by the Independent Shareholders pursuant to Rule 14A.35 of the Listing Rules.

The Directors consider that the SCOCL Engagement Agreement will be beneficial to the Shareholders and the Company as it enables the Company to participate in the construction of COLI Group's property development projects upon successful tender, thus allowing the Company to secure a more diverse base of customers for building construction in the PRC.

The Directors consider that the Continuing Connected Transactions will be entered into in the usual and ordinary course of businesses of the Company and the terms of the Continuing Connected Transactions and the SCOCL Cap have been negotiated on an arm's length basis and on normal commercial terms between SCOCL and COLI and the terms are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

GENERAL

The Company is principally engaged in the building construction and civil engineering business in Hong Kong.

An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Proposed Acquisitions and the Continuing Connected Transactions.

A circular containing, amongst others, details of the Proposed Acquisitions and the Continuing Connected Transactions together with the advice from the Independent Board Committee, the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and the notice of the EGM to approve the Proposed Acquisitions and the Continuing Connected Transactions will be sent to the Shareholders as soon as practicable. The votes of the Independent Shareholders to be taken at the EGM to approve the Proposed Acquisitions and the Continuing Connected Transactions will be taken by poll where COHL and its associates will abstain from voting.

SUSPENSION AND RESUMPTION OF TRADING

This announcement is also made pursuant to Rule 13.09 of the Listing Rules. The Proposed Acquisitions were approved by the Directors after 4:00 p.m. on 20 July 2007. At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on 23 July 2007 pending the release of this announcement and the announcement in connection with the Open Offer. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on 24 July 2007.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day (except Saturday) on which banks are open for business in Hong Kong
“CSCEC”	China State Construction Engineering Corporation, a PRC state-owned enterprise organised and existing under the laws of the PRC, being the ultimate controlling shareholder of the Company and COLI
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong and is a substantial shareholder of the Company and COLI
“COHL (Macao)”	COHL (Macao) Commercial and Industrial Company Limited, a company incorporated in Macau
“COIL”	China Overseas Insurance Limited 中國海外保險有限公司, a company incorporated in Hong Kong
“COISL”	China Overseas Insurance Services Limited 中國海外保險顧問有限公司, a company incorporated in Hong Kong
“COLI”	China Overseas Land & Investment Ltd., a company incorporated in Hong Kong, the shares of which are listed on the main board of the Stock Exchange
“COLI Group”	COLI and its subsidiaries

“Company”	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	the continuing connected transactions between SCOCL and COLI under the SCOCL Engagement Agreement upon completion of the PRC Acquisition
“CPM”	CPM - COMPANHIA DE PARQUES DE MACAU, S. A., a company incorporated in Macau
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be convened to approve the Proposed Acquisitions and the Continuing Connected Transactions
“Group”	the Company and its subsidiaries
“Hailong”	深圳海龍建築製品有限公司 (Shenzhen Hailong Construction Products Co., Ltd.), a company established in the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKAS”	the Hong Kong Accounting Standard issued by the Hong Kong Institution of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Acquisition”	the acquisition of the Hong Kong Sale Shares pursuant to the terms of the Hong Kong Agreement
“Hong Kong Agreement”	the sale and purchase agreement dated 20 July 2007 entered into between COHL and the Company in relation to the Hong Kong Acquisition
“Hong Kong Sale Shares”	100,000,000 ordinary shares of COIL and 150,000 ordinary shares of COISL of which COHL is the beneficial owner, representing 100% of the respective issued and paid up share capital of COIL and COISL respectively

“Independent Board Committee”	the committee of the Directors comprising the independent non-executive Directors formed to advise the Independent Shareholders in respect of the Proposed Acquisitions and the Continuing Connected Transactions
“Independent Shareholders”	Shareholders other than COHL and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Macau Acquisition”	the acquisition of the Macau Sale Shares pursuant to the terms of the Macau Agreement
“Macau Agreement”	the sale and purchase agreement dated 20 July 2007 entered into between COHL and the Company in relation to the Macau Acquisition
“Macau Sale Shares”	79% equity interest in the registered and paid up capital of COHL (Macao) of MOP\$200,000 owned by COHL, and 1 share representing 100% of the issued and paid up capital of Perfect Castle Limited of which COHL is the registered and beneficial owner
“MOP\$”	Macau Pataca, the lawful currency of Macau
“Open Offer”	The proposed issue by the Company of new Shares by way of open offer to Shareholders whose names appear on the register of members of the Company on the Record Date, on the basis of an assured allotment of one offer share for every five existing Shares held on the Record Date at the subscription price of HK\$10 (as detailed in the announcement of the Company on the same day)
“PRC”	People’s Republic of China
“PRC Acquisition”	the acquisition of the PRC Interests pursuant to the terms of the PRC Agreement

“PRC Agreement”	the sale and purchase agreement dated 20 July 2007 entered into between COHL and the Company in relation to the PRC Acquisition
“PRC Interests”	the 75% equity interest held by COHL and the 25% equity interest held by CSCEC in the registered and paid up capital of SCOCL of RMB50,000,000 Pursuant to the Vesting Agreement, CSCEC vested in COHL the full economic interests in the 25% of SCOCL’s capital registered in its name
“Proposed Acquisitions”	the Hong Kong Acquisition, the Macau Acquisition and the PRC Acquisition
“Record Date”	13 August 2007, being the record date for determining entitlements to participate in the Open Offer
“RMB”	Renminbi, the lawful currency of the PRC
“SCOCL”	深圳中海建築有限公司 (Shenzhen China Overseas Construction Limited) (formerly known as 深圳市中海建築工程公司 (Shenzhen China Overseas Construction Engineering Company)), a company established in the PRC
“SCOCL Engagement Agreement”	the agreement entered on 22 November 2005 between COLI and SCOCL, the particulars of which are set out in the joint announcement of the Company and COLI dated 22 November 2005 and the circular of COLI dated 12 December 2005
“SCOEC”	深圳中海工程顧問有限公司 (Shenzhen China Overseas Engineering Consultant Co., Ltd.), a company established in the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“SKW”	COMPANHIA DE CONSTRUCAO E INVESTIMENTO PREDIAL SAN KIN WA LIMITADA, a company incorporated in Macau
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vesting Agreement”

an agreement dated 19 July 2007 between COHL and CSCEC, whereby CSCEC vested in COHL the full economic interests in the 25% SCOCL shares it holds

By order of the Board
**CHINA STATE CONSTRUCTION
INTERNATIONAL HOLDINGS LIMITED**
Kong Qingping
Chairman and Non-executive Director

Hong Kong, 23 July 2007

As at the date of this announcement, the Board comprises Mr. Kong Qingping (Chairman and Non-executive Director), Mr. Zhou Yong (Vice-chairman and Chief Executive Officer), Mr. Yip Chung Nam (Executive Director), Mr. Fu He (Executive Director), Mr. Zhou Hancheng (Executive Director), Mr. Cheong Chit Sun (Executive Director), Dr. Raymond Ho Chung Tai (Independent Non-executive Director), Mr. Adrian David Li Man Kiu (Independent Non-executive Director), Mr. Raymond Leung Hai Ming (Independent Non-executive Director) and Mr. Lee Shing See (Independent Non-executive Director).