

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國海外發展有限公司
CHINA OVERSEAS LAND & INVESTMENT LTD.

(Incorporated in Hong Kong with limited liability)

(Stock Code : 688)



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)

JOINT ANNOUNCEMENT

CONNECTED TRANSACTION FOR CHINA OVERSEAS LAND & INVESTMENT LTD.

AND

DISCLOSEABLE AND CONNECTED TRANSACTION FOR CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

SALE OF CHINA OVERSEAS PUBLIC UTILITY INVESTMENT LIMITED BY CHINA OVERSEAS LAND & INVESTMENT LTD. TO CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

The COLI Directors and the CSCIH Directors are pleased to announce that after trading hours on 7 November 2007, COIHL (a wholly owned subsidiary of COLI) and CSCIH entered into the Sale and Purchase Agreement whereby COIHL agreed to sell and CSCIH agreed to purchase the entire issued share capital in and shareholders' loan to the Target Company for a cash consideration of HK\$400,000,000.

COIHL is an indirect wholly owned subsidiary of COLI. COHL is interested as to approximately 51.72% of the issued share capital of COLI and as to approximately 62.14% of the issued share capital of CSCIH. Accordingly, transactions between COIHL and CSCIH (and/or its subsidiaries) constitute connected transactions for each of COLI and CSCIH.

As the applicable percentage ratios calculated with reference to the Sale and Purchase Agreement exceeds 5% but is less than 25% pursuant to Rule 14.04(9) of the Listing Rules for CSCIH, the entering into the Sale and Purchase Agreement constitutes a discloseable transaction for CSCIH and is subject to the reporting, announcement and CSCIH Independent Shareholders' approval.

An independent financial adviser will also be appointed by CSCIH to advise the independent board committee of CSCIH and the CSCIH Independent Shareholders in relation to the terms of the Sale and Purchase Agreement and the transaction contemplated thereunder. The votes of the CSCIH Independent Shareholders to be taken at the CSCIH EGM to approve the Sale and Purchase Agreement and the transaction contemplated thereunder will be taken by poll where COHL and its associates will abstain from voting.

A circular containing, amongst others, details of the Sale and Purchase Agreement, together with the advice from the independent board committee of CSCIH, the advice from an independent financial adviser to the independent board committee of CSCIH and the CSCIH Independent Shareholders, and the notice of CSCIH EGM to approve the Sale and Purchase Agreement and the transaction contemplated thereunder will be sent to the CSCIH Shareholders as soon as practicable.

THE SALE AND PURCHASE AGREEMENT

Date:

7 November 2007

Parties:

- (a) COIHL, as vendor ; and
- (b) CSCIH, as purchaser.

Assets to be acquired:

One ordinary share of US\$1.00 in the share capital of the Target Company, being its entire issued share capital, and all related shareholders' loan in the amount of HK\$328,488,370. On Completion, the Target Company will cease to be a subsidiary of COLI.

Consideration:

The consideration for the Sale and Purchase in the amount of HK\$400,000,000. This consideration will be paid in cash and was determined after arm's length negotiation at 11.8 times of the average audited consolidated profit after tax and minority interest of Shenyang Huanggu Company prepared in accordance with accounting standards in the PRC for the past two years ended 31 December 2005 and 2006 respectively, a report prepared by independent third party accountant in the PRC provided by

COIHL. Shenyang Huanggu Coal owns an income generating asset invested mainly for its income stream. Both the COLI Directors and CSCIH Directors consider that consideration determined with reference to the profit generated by Shenyang Huanggu Company to be fair and reasonable. All payments will be financed out of the internal resources of CSCIH. The price earning ratio of 11.8 was set with reference to the pricing of similar infrastructure projects, which the COLI Directors and CSCIH Directors considered to be fair and reasonable.

Payment terms:

The consideration will be paid in full upon completion which is within 14 days from the fulfilment of all the conditions precedent.

Conditions precedent:

Completion of the Sale and Purchase Agreement is conditional upon, among others, the following conditions being satisfied (or with condition 2 below being waived by COIHL or CSCIH):

1. The CSCIH Independent Shareholders approving the Sale and Purchase Agreement and the transactions contemplated thereunder as may be required by the Listing Rules; and
2. All the warranties as stated in the Sale and Purchase Agreement remain true and correct at the completion of the Sale and Purchase Agreement.

INFORMATION ABOUT THE TARGET COMPANY

COIHL is an investment holding company which directly wholly owns the Target Company. The Target Company is the holding company of Shenyang Huanggu Company. The principal business of Shenyang Huanggu Company is production and supply of heat, electricity and steam and the provision of installing service heat distribution network in Shenyang, the capital city of the Liaoning Province, PRC.

Shenyang Huanggu Company owns 100% equity interest in Shenyang Huanggu Coal. The principal business of Shenyang Huanggu Coal is manufacturing and sales of coal products.

The Target Company is a company incorporated in the British Virgin Islands on 9 May 2006 and is an investment holding company directly holding 99% of the registered capital of Shenyang Huanggu Company. The remaining 1% of the registered capital of Shenyang Huanggu Company is held by Shenzhen Rong Xiang, an entity which to the best of knowledge, information and belief of the COLI Directors and the CSCIH Directors after making all reasonable enquiries is

independent of COLI, CSCIH and their respective connected persons. On 6 August 2006, the Target Company entered into an agreement with Shenzhen Rong Xiang vesting the voting rights and full economic interests in the 1% registered capital it holds in Shenyang Huanggu Company (“**Vesting Agreement**”). The purpose of the Vesting Agreement is to transfer all the rights and obligations in the 1% registered capital in Shenyang Huanggu Company to the Target Company while maintaining a registered PRC interest to ensure the collective management and smooth-running of Shenyang Huanggu Company’s operations. Pursuant to the Vesting Agreement, Shenzhen Rong Xiang agreed, in relation to the 1% registered capital it holds in Shenyang Huanggu Company, to assign to the Target Company all its rights to profits and dividend and to appoint the Target Company to attend and vote on its behalf at all general meetings of Shenyang Huanggu Company, or to vote in accordance with the Target Company’s instructions. The Target Company assumes all the liabilities as it is the registered owner of the 1% registered capital in Shenyang Huanggu Company. The rights in the 1% registered capital in Shenyang Huanggu Company vested in Shenzhen Rong Xiang are fully transferable and the Target Company (or its designated transferee) has an exclusive right to acquire the 1% registered capital in Shenyang Huanggu Company from Shenzhen Rong Xiang for RMB1 upon a change in PRC laws so that it is no longer a requirement to have a PRC partner in business relating to construction and management of urban electro-heating in PRC. Shenzhen Rong Xiang is further restricted from disposing the 1% registered capital in Shenyang Huanggu Company other than in accordance with the Target Company’s instructions. The Target Company has obtained the opinion of PRC legal counsel that the Vesting Agreement complies with the applicable laws and regulations in PRC and are legally enforceable. Accordingly, Shenyang Huanggu Company will be treated as a wholly owned subsidiary of CSCIH upon completion of the Sale and Purchase by reason of Shenzhen Rong Xiang having vested in the Target Company its economic interests in the 1% registered capital in Shenyang Huanggu Company under the Vesting Agreement.

As at 31 December 2006, the audited consolidated net asset value of Shenyang Huanggu Company prepared in accordance with accounting standards in the PRC was approximately HK\$299,910,000.

As at 31 December 2005, the audited consolidated net asset value of Shenyang Huanggu Company prepared in accordance with accounting standards in the PRC was approximately HK\$255,712,000.

For the year ended 31 December 2006, the audited consolidated net profits before and after taxation and minority interest of Shenyang Huanggu Company prepared in accordance with accounting standards in the PRC were approximately HK\$41,940,000 and HK\$36,235,000 respectively.

For the year ended 31 December 2005, the audited consolidated net profits before and after taxation and minority interest of Shenyang Huanggu Company prepared in accordance with accounting standards in the PRC was approximately HK\$31,637,000 and HK\$31,590,000 respectively.

REASONS AND BENEFITS FOR THE TRANSACTIONS

The COLI Directors consider that COLI's future business strategy is to focus on property development and they regard this is a good opportunity to realise its investment in infrastructure and use the sales proceed to invest in other property development projects.

As indicated in COLI's 2006 Annual Report, COLI will dispose its interests in infrastructure projects at reasonable costs when suitable opportunities come. The Sale and Purchase is in line with COLI's business plan as envisaged in its 2006 Annual Report. The expected gain arising from the Sale and Purchase is estimated to be approximately HK\$3,885,000. The COLI Directors (including the Independent Non-executive Directors) believe that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and it is in the interests of COLI and the COLI Shareholders as a whole. COLI has no current intention to dispose of its other business operations but will continue to explore suitable opportunities to dispose of its remaining infrastructure projects as and when opportunities come.

The CSCIH Directors consider that Shenyang Huanggu Company provides a good investment opportunity for CSCIH taking into account the cash flow status of CSCIH and they believe the investment will generate stable and longer term income to CSCIH.

The CSCIH Directors further consider that involvement in the Shenyang Huanggu Company can further explore business opportunities for CSCIH since construction works are required for such kind of infrastructure project.

The CSCIH Directors (other than the Independent Non-executive Directors whose views will be set out in the circular to be despatched to the CSCIH Shareholders together with the advice of the independent financial adviser to be appointed) believe that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and it is in the interests of CSCIH and the CSCIH Shareholders as a whole to enter into the Sale and Purchase Agreement.

GENERAL

COLI is principally engaged in property development and investment project management, infrastructure project investments, investment holding, real estate agency and management and treasury operations. CSCIH is principally engaged in building construction and civil engineering.

COIHL is an indirect wholly owned subsidiary of COLI. COHL is interested as to approximately 51.72% of the issued share capital of COLI and as to approximately 62.14% of the issued share capital of CSCIH. Accordingly, transactions between COIHL and CSCIH (and/or its subsidiaries) constitute connected transactions for each of COLI and CSCIH.

The Sale and Purchase Agreement was entered into by COIHL and CSCIH after trading hours on 7 November 2007. There were no prior transactions between COLI and CSCIH or their respective associates which the COLI Directors and CSCIH Directors believe would require aggregation under Rule 14.22 and 14A.25 of the Listing Rules. As the applicable percentage ratios calculated with reference to the Sale and Purchase Agreement exceeds 5% but is less than 25% pursuant to Rule 14.04(9) of the Listing Rules for CSCIH, the entering into the Sale and Purchase Agreement constitutes a discloseable transaction for CSCIH and are subject to the reporting, announcement and CSCIH Independent Shareholders' approval.

An independent financial adviser will also be appointed by CSCIH to advise the independent board committee of CSCIH and the CSCIH Independent Shareholders in relation to the terms of the Sale and Purchase Agreement and the transaction contemplated thereunder. The votes of the CSCIH Independent Shareholders to be taken at the CSCIH EGM to approve the Sale and Purchase Agreement and the transaction contemplated thereunder will be taken by poll where COHL and its associates will abstain from voting.

A circular containing, amongst others, details of the Sale and Purchase Agreement, together with the advice from the independent board committee of CSCIH, the advice from an independent financial adviser to the independent board committee of CSCIH and the CSCIH Independent Shareholders, and the notice of CSCIH EGM to approve the Sale and Purchase Agreement and the transaction contemplated thereunder will be sent to the CSCIH Shareholders as soon as practicable.

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
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong and is a substantial shareholder of COLI and CSCIH

“COIHL”	China Overseas Infrastructure Holdings Limited (中國海外基建控股有限公司), a company incorporated in the Cayman Islands and is an indirect wholly owned subsidiary of COLI
“COLI”	China Overseas Land & Investment Limited, a company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange
“COLI Directors”	the directors of COLI
“COLI Shareholders”	the shareholders of COLI
“CSCIH”	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange
“CSCIH Directors”	the directors of CSCIH
“CSCIH EGM”	the extraordinary general meeting of CSCIH to be convened to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder
“CSCIH Shareholders”	the shareholders of CSCIH
“CSCIH Independent Shareholders”	the shareholders of CSCIH, other than COHL and its associates
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The Peoples’ Republic of China
“Sale and Purchase”	the sale of the entire issued share capital in and shareholders’ loan of the Target Company by COIHL to CSCIH pursuant to the Sale and Purchase Agreement
“Sale and Purchase Agreement”	a sale and purchase agreement entered into between COIHL and CSCIH on 7 November 2007

“Shenyang Huanggu Coal”	瀋陽皇姑粉煤灰建材有限公司 (translated as Shenyang Huanggu Coal Ash Construction Material Co. Ltd), a limited liability company registered in the PRC and its principal business is manufacturing and sales of coal products
“Shenyang Huanggu Company”	瀋陽皇姑熱電有限公司 (translated as Shenyang Huanggu Thermal Power Co. Ltd.), a limited liability company registered in the PRC and its principal business is production and supply of heat, electricity and steam and the provision of installing service heat distribution network
“Shenzhen Rong Xiang”	深圳市融翔投資有限公司 (translated as Shenzhen Rong Xiang Investment Co. Ltd), a company limited by shares established in the PRC and its principal business is investment holding
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	China Overseas Public Utility Investment Limited (中國海外公用設施投資有限公司), a company incorporated in the British Virgin Islands and is a direct wholly owned subsidiary of COIHL
“US\$”	US Dollar, the lawful currency of United States

By order of the board
China Overseas Land & Investment Ltd.
Kong Qingping
Chairman

By order of the board
China State Construction International Holdings Limited
Zhou Yong
Vice-chairman and Chief Executive Officer

Hong Kong, 9 November 2007

As at the date of this announcement, the Board of Directors of China Overseas Land & Investment Ltd. comprises Mr. Kong Qingping (Chairman), Mr. Hao Jian Min (Vice Chairman and Chief Executive Officer), Mr. Xiao Xiao (Vice Chairman), Mr. Wu Jianbin, Mr. Chen Bin, Mr. Zhu Yijian, Mr. Luo Liang and Mr. Wang Man Kwan, Paul as Executive Directors; and Dr. Li Kwok Po, David, Mr. Lam Kwong Siu and Dr. Wong Ying Ho, Kennedy as Independent Non-executive Directors.

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