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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)

CONNECTED TRANSACTION

**CONNECTED AND DISCLOSEABLE
TRANSACTION**

SALE AND PURCHASE OF VALUE IDEA INVESTMENTS LIMITED

On 6 October 2008, Ever Power, an indirect wholly-owned subsidiary of CSC, has entered into the Agreement with CORB, an indirect wholly-owned subsidiary of COLI, whereby Ever Power shall acquire the entire interest in Value Idea, being 100% of the issued share capital of Value Idea and the Loan in the amount of HK\$111,447,904 for a cash consideration of HK\$220 million.

COHL is interested in approximately 51.7% of the issued share capital of COLI and approximately 62.2% of CSC, and Ever Power is an indirect wholly-owned subsidiary of CSC. Accordingly, COHL, CSC and Ever Power are connected persons of COLI, and the Transaction constitutes a connected transaction for COLI under Chapter 14A of the Listing Rules.

By virtue of COHL's interest in both COLI and CSC as set out above, COHL, COLI and CORB (being an indirect wholly-owned subsidiary of COLI) are connected persons of CSC. Accordingly, the Transaction constitutes a connected transaction for CSC under Chapter 14A of the Listing Rules.

For COLI, since each of the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules calculated with reference to the Agreement is less than 2.5%, the Transaction is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As for CSC, since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules calculated with reference to the Agreement exceed 2.5% but are less than 25%, the Transaction constitutes a connected and discloseable transaction for CSC and is subject to the reporting, announcement and Independent CSC Shareholders' approval requirements. Voting at the CSC EGM will be conducted by poll and in view of the interest of COHL and its associates, COHL and its associates will abstain from voting at the CSC EGM.

An independent board committee comprising all the independent non-executive directors of CSC has been formed to advise the Independent CSC Shareholders in respect of the Transaction. An independent financial adviser will be appointed to advise the independent board committee of CSC and the Independent CSC Shareholders in this connection.

A circular containing, among other things, further particulars of the Transaction together with, the recommendations of the independent board committee of CSC, a letter of advice from the independent financial adviser to advise the independent board committee of CSC and the Independent CSC Shareholders, and a notice convening the CSC EGM will be despatched to the CSC Shareholders as soon as practicable in accordance with the Listing Rules.

THE AGREEMENT

Date:

6 October 2008

Parties:

- (1) CORB, an indirect wholly-owned subsidiary of COLI, as the vendor; and
- (2) Ever Power, an indirect wholly-owned subsidiary of the CSC, as the purchaser.

Subject:

Value Idea, through its subsidiary, is principally engaged in the operation of Nan Chang Bridge (南昌大橋) located at Nan Chang city in Jiangxi province of the PRC.

The Nan Chang Bridge is approximately 4.2 km in length. Value Idea has approximately 55.2% interest in a PRC joint venture which owns the management and toll-collection rights for the Nan Chang Bridge up to 30 June 2025 (“the PRC Joint Venture”) whereby Value Idea is entitled to the income derived from the toll-collection rights up to 31 December 2022. The remaining 44.8% interest in the PRC Joint Venture is owned by 南昌市南昌大橋有限責任公司 (Nan Chang City Nan Chang Bridge Company Limited*). Under the terms of the PRC Joint Venture, if there is substantial policy changes in the PRC relating to tolls for bridges, or if the monthly income received by the PRC Joint Venture is below certain pre-determined level, then Value Idea will have the right to require its joint venture partner to purchase Value Idea’s equity rights in the PRC Joint Venture at the carrying value (including the prescribed rate of return) of Value Idea’s investment in the PRC Joint Venture.

Ever Power will acquire the entire interest in Value Idea, being 100% of the issued share capital of Value Idea and the Loan in the amount of HK\$111,447,904.

The unaudited consolidated net asset value of Value Idea as at 30 June 2008 was approximately HK\$99.2 million. The unaudited consolidated profits before and after taxation and extraordinary items of Value Idea for the year ended 31 December 2006 were HK\$25.4 million and HK\$25.4 million respectively. The unaudited consolidated profits before and after taxation and extraordinary items of Value Idea for the year ended 31 December 2007 were HK\$11.9 million and HK\$11.9 million respectively.

The original investment amount of CORB in respect of the entire interest in Value Idea, being 100% of the issued share capital of Value Idea and the Loan, was HK\$312.6 million.

Consideration:

Ever Power shall pay to CORB a consideration in the amount of HK\$220 million in cash on completion of the Agreement.

The said consideration will be financed by the CSC from its internal resources. It was determined based on arm's length negotiation between the parties with reference to the estimated maximum revenue that Value Idea is entitled to under the contract for the PRC Joint Venture for the remaining concession period and the amount of the Loan on a dollar for dollar basis.

Conditions:

Completion of the Agreement is conditional on, among other things:

- (i) the Independent CSC Shareholders approving the Agreement and the transactions contemplated thereunder; and
- (ii) all governmental, regulatory and third party approvals and permissions required for the transactions contemplated under the Agreement being obtained.

Completion:

Completion of the Agreement will take place within fourteen (14) days upon the fulfillment or waiver of all conditions, or such later date as agreed by the parties. If any of the conditions has not been satisfied (or waived) on or before 31 December 2008 or such other later date as may be agreed by the parties, the Agreement will be immediately terminated.

REASONS FOR THE TRANSACTION

COLI is principally engaged in investment holding, property investment and provision of management services to its subsidiaries. Since 2006, COLI has made clear its future business strategy to focus on property development and will gradually dispose of all its infrastructure businesses at suitable times. The Transaction is in line with such business strategy and the sales proceed will be used for investment of other property development projects. COLI has no intention to dispose of its other core business operations but would continue to seek opportunities to dispose of other infrastructure businesses. Following completion of the Transaction, Value Idea will cease to be an indirect wholly-owned subsidiary of COLI.

Estimating with reference to the difference between the consideration for the Transaction and the unaudited carrying value of COLI's investment in Value Idea of approximately HK\$210.6 million as at 30 June 2008, the gain, net of expenses, to be derived from the Transaction is approximately HK\$9.4 million. The actual amount of gain, however, will only be determined with reference to the carrying value as of completion of the Transaction and will be subject to audit.

The CSC Group is principally engaged in building construction, civil engineering works, infrastructure investment and project consultancy business and Ever Power is an investment holding company.

Given the acceleration of urbanisation in the PRC, the directors of CSC believe that the infrastructure investment in the PRC will grow rapidly in the future and the Transaction will enhance the CSC Group's infrastructure investment portfolio and generate stable long term income to CSC.

GENERAL

The board of directors of COLI (including the independent non-executive directors of COLI) consider that the Agreement has been entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable and in the interest of COLI and its shareholders as a whole.

The board of directors of CSC (other than the independent non-executive directors of CSC whose opinion will be provided after reviewing the advice of the independent financial adviser) consider that the Agreement has been entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable and in the interest of CSC and its shareholders as a whole.

COHL is interested in approximately 51.7% of the issued share capital of COLI and approximately 62.2% of CSC, and Ever Power is an indirect wholly-owned subsidiary of CSC. Accordingly, COHL, CSC and Ever Power are connected persons of COLI, and the Transaction constitutes a connected transaction for COLI under Chapter 14A of the Listing Rules.

By virtue of COHL's interest in both COLI and CSC as set out above, COHL, COLI and CORB (being an indirect wholly-owned subsidiary of COLI) are connected persons of CSC. Accordingly, the Transaction constitutes a connected transaction for CSC under Chapter 14A of the Listing Rules.

For COLI, since each of the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules calculated with reference to the Agreement is less than 2.5%, the Transaction is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As for CSC, since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules calculated with reference to the Agreement exceed 2.5% but are less than 25%, the Transaction constitutes a connected and discloseable transaction for CSC and is subject to the reporting, announcement and Independent CSC Shareholders' approval requirements. Voting at the CSC EGM will be conducted by poll and in view of the interest of COHL and its associates, COHL and its associates will abstain from voting at the CSC EGM.

An independent board committee comprising all the independent non-executive directors of CSC has been formed to advise the Independent CSC Shareholders in respect of the Transaction. An independent financial adviser will be appointed to advise the independent board committee of CSC and the Independent CSC Shareholders in this connection.

A circular containing, among other things, further particulars of the Transaction together with, the recommendations of the independent board committee of CSC, a letter of advice from the independent financial adviser to advise the independent board committee of CSC and the Independent CSC Shareholders, and a notice convening the CSC EGM will be despatched to the CSC Shareholders as soon as practicable in accordance with the Listing Rules.

DEFINITIONS

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

“Agreement” the agreement entered into by CORB and Ever Power on 6 October 2008 in relation to the sale and purchase of 100% of the issued share capital of Value Idea and the assignment of the Loan;

<p>“associate”, “connected person”, “subsidiary”, “substantial shareholder”</p>	<p>each has the meaning ascribed to it in the Listing Rules;</p>
<p>“COHL”</p>	<p>China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability and a substantial shareholder of COLI and CSC;</p>
<p>“COLI”</p>	<p>China Overseas Land & Investment Ltd., 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);</p>
<p>“COLI Group”</p>	<p>COLI and its subsidiaries from time to time;</p>
<p>“CORB”</p>	<p>China Overseas Road & Bridge Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of COLI;</p>
<p>“CSC”</p>	<p>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);</p>
<p>“CSC Group”</p>	<p>CSC and its subsidiaries from time to time;</p>
<p>“CSC EGM”</p>	<p>the extraordinary general meeting of CSC to be held to consider and approve, among other things, the Agreement and the transactions contemplated thereunder;</p>
<p>“CSC Shareholders”</p>	<p>holders of shares in the ordinary share capital of CSC;</p>
<p>“Ever Power”</p>	<p>Ever Power Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the CSC;</p>
<p>“HK\$”</p>	<p>Hong Kong dollars, the lawful currency of Hong Kong;</p>
<p>“Hong Kong”</p>	<p>the Hong Kong Special Administrative Region of the PRC;</p>

“Independent CSC Shareholders”	CSC Shareholders other than COHL and its associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the unsecured and non-interest bearing loan repayable on demand owing by Value Idea to CORB as at completion of the Agreement;
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the sale and purchase of 100% of the issued share capital of Value Idea and the Loan contemplated under the Agreement;
“Value Idea”	Value Idea Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of CORB; and
“%”	per cent..

** For identification purpose only.*

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, 6 October 2008

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 the 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.