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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)**

**CONTINUING CONNECTED TRANSACTIONS**

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## **AGREEMENT IN RELATION TO CONNECTION SERVICES FOR HEATING PIPES**

On 18 June 2010, COLI and CSC entered into the Agreement, pursuant to which CSC (through SHTCL) shall provide connection services for heating pipes for Project(s) commencing on 1 July 2010 and ending on 31 December 2012. Pursuant to the Agreement, the parties may from time to time enter into further implementation agreements, which set out the detailed terms in relation to Services for Project(s).

COHL, which is interested in approximately 53.1% of the issued share capital of COLI and approximately 62.5% of the issued share capital of CSC, is a connected person of each of COLI and CSC. COLI, CSC and SHTCL are associates of COHL. Accordingly, CSC and SHTCL are connected persons of COLI, and COLI is a connected person of CSC. The Transactions constitute continuing connected transactions for both COLI and CSC under Chapter 14A of the Listing Rules.

For both COLI and CSC, the applicable percentage ratios in relation to the Agreement are less than 5%; therefore, the Transactions are subject to the reporting, annual review and announcement requirements and are exempt from the independent shareholders' approval requirement under the Listing Rules.

## **THE AGREEMENT**

### **Date**

18 June 2010

### **Parties**

A: CSC

B: COLI

### **Terms**

Pursuant to the Agreement, CSC (through SHTCL) shall provide connection services for heating pipes (“Services”) for Project(s) commencing on 1 July 2010 and ending on 31 December 2012. In Shenyang, heat generated from thermal plants is delivered to heat supply stations via sets of heating pipes. Thereafter, heat is dispersed to end users in residential and commercial buildings from the heat supply stations via another sets of heating pipes. Services provided under this Agreement involve the connection of sets of heating pipes, which allow the provision of heat to residential and commercial buildings from thermal plants.

Pursuant to the Agreement, the parties may from time to time enter into further implementation agreements, which set out the detailed terms in relation to Services for Project(s). The terms under further implementation agreements will be negotiated on an arm’s length basis between the parties.

### **Annual Caps**

It is expected that the maximum contract sums awarded by COLI to CSC under the Agreement for the period between 1 July 2010 and 31 December 2010 shall not exceed HK\$100,000,000, for the period between 1 January 2011 and 31 December 2011 shall not exceed HK\$150,000,000, and for the period between 1 January 2012 and 31 December 2012 shall not exceed HK\$150,000,000.

These maximum contract sums are determined after arm’s length negotiation between the parties with reference to the future projection of the project development plans of COLI during the period pursuant to the Agreement. The contract sums will be satisfied by COLI in cash from its internal resources. Detailed payment terms will be included in further implementation agreements. Such payment terms will be determined on an arm’s length basis and will be referenced to the prevailing market prices at the time each further implementation agreement is entered.

## **REASONS FOR THE TRANSACTION**

The CSC Group is principally engaged in building construction, civil engineering works, infrastructure investments and project consultancy businesses. SHTCL, a wholly-owned subsidiary of CSC, is principally engaged in the provision of connection services for heating pipes, and the supply of heat, electricity and steam. The directors of CSC believe that the Transactions will not only increase the income from the provision of Services, but will also increase the heat supply area and the revenue generated from the supply of heat in the future.

COLI is principally engaged in property development in the PRC and has a number of property development projects in Shenyang. Locations of some of the projects are within the coverage areas where SHTCL provides the Services.

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 in the ordinary course of business, and the terms and conditions therein (including the maximum contract sums) are fair and reasonable and in the interests of COLI and its shareholders as a whole. None of the directors of COLI has a material interest in the Transactions.

The board of directors of CSC (including the independent non-executive directors of CSC) consider that the Agreement has been entered into on normal commercial terms and in the ordinary course of business, and the terms and conditions therein (including the maximum contract sums) are fair and reasonable and in the interests of CSC and its shareholders as a whole. None of the directors of CSC has a material interest in the Transactions.

## **GENERAL**

COHL, which is interested in approximately 53.1% of the issued share capital of COLI and approximately 62.5% of the issued share capital of CSC, is a connected person of each of COLI and CSC. COLI, CSC and SHTCL are associates of COHL. Accordingly, CSC and SHTCL are connected persons of COLI, and COLI is a connected person of CSC. The Transactions constitute continuing connected transactions for both COLI and CSC under Chapter 14A of the Listing Rules.

For both COLI and CSC, the applicable percentage ratios in relation to the Agreement are less than 5%; therefore, the Transactions are subject to the reporting, annual review and announcement requirements and are exempt from the independent shareholders' approval requirement under the Listing Rules.

## DEFINITIONS

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

“Agreement”	the agreement between CSC and COLI dated 18 June 2010 in relation to the provision of Services for Project(s);
“associate(s)”, “connected person(s)”, “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, which is interested, directly and indirectly, in approximately 53.1% and 62.5% of the issued share capital of COLI and CSC respectively;
“COLI”	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);
“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 Group”	CSC and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“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, Macau Special Administrative Region of the PRC and Taiwan;

“Project(s)”	real estate project(s), which is (are) located in Shenyang, developed by COLI;
“Services”	connection services for heating pipes;
“Shenyang”	Shenyang, Liaoning Province, the PRC;
“SHTCL”	瀋陽皇姑熱電有限公司 (Shenyang Huanggu Thermoelectricity Company Limited), a company incorporated in the PRC and is a wholly-owned subsidiary of CSC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transactions”	the transactions contemplated under the Agreement; and
“%”	per cent..

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, 18 June 2010

*As at the date of this announcement, Messrs. Kong Qingping (Chairman), Hao Jian Min (Vice Chairman and Chief Executive Officer), Xiao Xiao (Vice Chairman), Chen Bin, Dong Daping, Nip Yun Wing, Luo Liang and Lin Xiaofeng are the executive directors of COLI; Mr. Wu Jianbin (Vice Chairman) is the non-executive director of COLI; and Messrs. Li Kwok Po, David, Lam Kwong Siu, Wong Ying Ho, Kennedy and Madam Fan Hsu Lai Tai, Rita are the independent non-executive directors of COLI.*

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