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*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 688)



*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code : 3311)

**CONNECTED TRANSACTION**

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**SALE AND PURCHASE OF  
15% INTERESTS IN OMAR PROPERTY DEVELOPMENT CO., LTD.**

On 30 September 2010, Peak Top (an indirect wholly-owned subsidiary of COLI) and CCE (Macau) (an indirect wholly-owned subsidiary of CSC) entered into the Agreement, pursuant to which CCE (Macau) agreed to purchase, and Peak Top agreed to sell, the Sale Interest and the Shareholder's Loan for a cash consideration of approximately HK\$264 million.

COHL, which is interested in approximately 53.07% of the issued share capital of COLI and approximately 62.47% of the issued share capital of CSC, is a connected person of each of COLI and CSC. COLI, Peak Top, CSC and CCE (Macau) are therefore associates of COHL. Accordingly, CSC and CCE (Macau) are connected persons of COLI, and COLI and Peak Top are connected persons of CSC. The Transaction constitutes a connected transaction for both COLI and CSC under Chapter 14A of the Listing Rules.

For COLI, since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules calculated in respect of the Agreement are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under the Listing Rules.

For CSC, since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules calculated in respect of the Agreement are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under the Listing Rules.

## **THE AGREEMENT**

### **Date:**

30 September 2010

### **Parties:**

- (1) Peak Top, an indirect wholly-owned subsidiary of COLI, as the seller; and
- (2) CCE (Macau), an indirect wholly-owned subsidiary of CSC, as the purchaser.

### **Subject:**

Pursuant to the Agreement, CCE (Macau) agreed to purchase, and Peak Top agreed to sell, the Sale Interest and the Shareholder's Loan.

The unaudited net asset value of Omar Property as at 31 August 2010 was HK\$1,050 million. The unaudited attributable net loss before and after taxation and extraordinary items of Omar Property for the year ended 31 December 2008 were both HK\$180 million. The unaudited attributable net loss before and after taxation and extraordinary items of Omar Property for the year ended 31 December 2009 were both HK\$120 million.

Peak Top acquired 35% interests in Omar Property and 35% of the Total Shareholder's Loan in July 2010 and incurred an aggregate of MOP630 million (approximately HK\$610 million) investment cost in respect of the said interest in and shareholder's loan to Omar Property (including professional fees relating to the acquisition).

Omar Property owns the entire interest in the Land which is held for future development of a residential property project (the "**Project**") with a total estimated gross floor area of approximately 72,000 square metres.

### **Consideration:**

The consideration for the purchase of the Sale Interest and the Shareholder's Loan shall be approximately HK\$264 million, which shall be settled in cash in a lump sum within 3 Business Days after the date of Completion.

The consideration is determined after arm's length negotiation between the parties based on the proportional original investment cost of Peak Top in respect of the Sale Interest and the Shareholder's Loan and the time value of such original investment cost at an interest rate of 2% per annum. The consideration will be financed by CSC from its internal resources.

Peak Top and CCE (Macau) expect that the estimated total additional investment amount in the Project is approximately HK\$680 million. Pursuant to the Agreement, Peak Top and CCE (Macau) shall contribute to the working capital of Omar Property in proportion to their respective shareholding interests in Omar Property. Accordingly, the estimated total additional working capital that shall be contributed by CCE (Macau) will be approximately HK\$102 million.

**Conditions:**

Completion is conditional upon the following conditions being satisfied on or before 30 November 2010 or such later date as may be agreed between Peak Top and CCE (Macau):

- (a) all consents, approvals, clearances and authorisations of any relevant governmental authorities in Macau or other relevant third parties as may be necessary under the Articles of Association of Omar Property for Completion having been obtained; and
- (b) if required, the board of directors of Omar Property having issued the statement confirming that no pre-emption rights were exercised and the sale and purchase contemplated hereunder may take place.

**Completion:**

Completion will take place upon the satisfaction or waiver of the above conditions, or such other date as the parties may agree in writing. If any of the conditions has not been satisfied (or waived) on or before 30 November 2010 or such other later date as may be agreed by the parties, the Agreement will immediately terminate.

**REASONS FOR ENTERING INTO THE TRANSACTION**

The COLI Group is principally engaged in property development and investment. The directors of COLI consider that the Transaction will facilitate the COLI Group's further development in the property development industry as COLI can make use of CSC's expertise in property construction to achieve synergy and competitive advantage. Following completion of the Transaction, COLI will indirectly hold 85% of the entire registered capital of Omar Property which will continue to be a subsidiary of COLI.

Since the consideration of the Transaction is determined based on the proportional investment cost incurred by Peak Top in respect of the Sale Interest and the Shareholder's Loan, no gain or loss is expected to be accrued to COLI from the Transaction.

The CSC Group is principally engaged in building construction, civil engineering works, infrastructure investments and project consultancy businesses and CCE (Macau) is principally engaged in building construction and civil engineering works, properties holding and investment holding. The directors of CSC are optimistic about the prospect of the property market in Macau and consider that the Transaction provides a good investment opportunity for CSC taking into account of the current financial position of CSC and the general property market environment in Macau. The directors of CSC also believe that the Transaction would benefit the CSC Group from the fast growing property market in Macau and enable the CSC Group to achieve synergy with the COLI Group.

## **GENERAL**

The board of directors of COLI (including the independent non-executive directors of COLI) consider that the Transaction has been entered into on normal commercial terms and in the ordinary course of business, and the terms and conditions therein 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 Transaction and thus no director of COLI is required to abstain from voting on the board resolutions approving the Transaction.

The board of directors of CSC (including the independent non-executive directors of CSC) consider that the Transaction has been entered into on normal commercial terms and in the ordinary course of business, and the terms and conditions therein 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 Transaction and thus no director of CSC is required to abstain from voting on the board resolutions approving the Transaction.

COHL, which is interested in approximately 53.07% of the issued share capital of COLI and approximately 62.47% of the issued share capital of CSC, is a connected person of each of COLI and CSC. COLI, Peak Top, CSC and CCE (Macau) are therefore associates of COHL. Accordingly, CSC and CCE (Macau) are connected persons of COLI, and COLI and Peak Top are connected persons of CSC. The Transaction constitutes a connected transaction for both COLI and CSC under Chapter 14A of the Listing Rules.

For COLI, since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules calculated in respect of the Agreement are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under the Listing Rules.

For CSC, since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules calculated in respect of the Agreement are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements and is 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:

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| “Agreement”  | the agreement dated 30 September 2010 between Peak Top and CCE (Macau) in relation to the sale and purchase of the Sale Interest and Shareholder's Loan;                                    |
| “associate(s)”,<br>“connected<br>person(s)”,<br>“controlling<br>shareholder” and<br>“subsidiary” | each shall have the meaning ascribed to it in the Listing Rules;  |
| “Business Day”   | a day other than a Saturday or Sunday, on which banks in Hong Kong and Macau are open for business generally;   |
| “CCE (Macau)”  | China Construction Engineering (Macau) Company Limited, a company incorporated in Macau with limited liability and an indirect wholly-owned subsidiary of CSC;                              |
| “COHL”   | China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability and a controlling shareholder of COLI and CSC;  |
| “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 Group”   | COLI and its subsidiaries from time to time;  |
| “Completion”   | completion of the Agreement;  |

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| “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;  |
| “HK\$”               | Hong Kong dollars, the lawful currency of Hong Kong;   |
| “Hong Kong”          | the Hong Kong Special Administrative Region of the PRC;  |
| “Land”               | the parcel of land with a total site area of approximately 6,480 square metres situated at Newly Reclaimed Land at Outer Harbour, Macau* (澳門外港新填海區);   |
| “Listing Rules”      | the Rules Governing the Listing of Securities on the Stock Exchange;   |
| “Macau”              | the Macau Special Administrative Region of the PRC;  |
| “MOP”                | Macau Pataca, the lawful currency of Macau;  |
| “Omar Property”      | Omar Property Development Company Limited, a company incorporated in Macau with limited liability and an indirect wholly-owned subsidiary of COLI and is 35% owned by Peak Top;                                      |
| “Peak Top”           | Peak Top Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of COLI;   |
| “PRC”                | the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, Macau and Taiwan;  |
| “Sale Interest”      | a 15% interest in the entire registered capital in Omar Property legally and beneficially owned by Peak Top;   |
| “Shareholder’s Loan” | an amount of approximately HK\$100 million, being 15% of the Total Shareholder’s Loan as at the date of the Agreement;   |
| “Stock Exchange”     | The Stock Exchange of Hong Kong Limited;   |

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| “Total Shareholder’s Loan” | an amount of approximately HK\$680 million, being the total amount of shareholder’s loan owing from Omar Property to all its shareholders;   |
| “Transaction”              | the sale and purchase of the Sale Interest and the Shareholder’s Loan under the Agreement, and the transactions contemplated thereunder; and |
| “%”                        | per cent..   |

*For illustration purposes in this announcement, the amounts in MOP are translated to HK\$ at the rate of MOP1.03 = HK\$1.00. No representation is made that any amount in MOP has been or could be converted at the above rate or at any other rates or at all.*

*\* For identification purposes only.*

By Order of the Board  
**China Overseas Land & Investment  
Limited**  
**Kong Qingping**  
*Chairman*

By Order of the Board  
**China State Construction  
International Holdings Limited**  
**Zhou Yong**  
*Vice-Chairman and Chief Executive Officer*

Hong Kong, 30 September 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; Mr. Wu Jianbin (Vice Chairman) is the non-executive director; 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) as non-executive director; Mr. Zhou Yong (Vice-Chairman and Chief Executive Officer), Mr. Yip Chung Nam, Mr. Zhang Yifeng, Mr. Cheong Chit Sun, Mr. Zhou Hancheng and Mr. Tian Shuchen 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.*