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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**

**DISCLOSEABLE AND CONNECTED  
TRANSACTION**

**SALE AND PURCHASE OF  
CHINA OVERSEAS TECHNOLOGY HOLDINGS LIMITED**

On 30 September 2010, CORB (an indirect wholly-owned subsidiary of COLI) and Ever Power (an indirect wholly-owned subsidiary of CSC) entered into the Agreement, pursuant to which Ever Power shall acquire and CORB shall sell or procure to sell the entire interest in COTHL, being 100% of the issued share capital of COTHL and the Loan for a cash consideration of HK\$1,690 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, CORB, CSC and Ever Power are associates of COHL. Accordingly, CSC and Ever Power are connected persons of COLI, and COLI and CORB 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 5% but less than 25%, the Transaction constitutes a discloseable and connected transaction for CSC and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. 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 will be 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 expected to be despatched to the CSC Shareholders on or before 20 October 2010 in accordance with the Listing Rules. If there is expected to be delay in despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular.

## **THE AGREEMENT**

### **Date:**

30 September 2010

### **Parties:**

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

### **Subject:**

Ever Power will acquire and CORB will sell or procure to sell the entire interest in COTHL, being 100% of the issued share capital of COTHL and the Loan.

The unaudited consolidated net asset value of COTHL as at 31 August 2010 was approximately HK\$460 million. The unaudited consolidated profits before and after taxation and extraordinary items of COTHL for the year ended 31 December 2008 were HK\$90 million and HK\$60 million, respectively. The unaudited consolidated profits before and after taxation and extraordinary items of COTHL for the year ended 31 December 2009 were HK\$160 million and HK\$110 million, respectively.

The original investment amount of CORB (in the form of equity and loan) in respect of the entire interest in COTHL was RMB950 million (approximately HK\$1,080 million).

**Consideration:**

The consideration for the acquisition of the entire interest in COTHL shall be HK\$1,690 million, which shall be settled in cash by two installments: (i) HK\$845 million to be payable at Completion; and (ii) the remaining balance of HK\$845 million to be payable within 3 months after the date of Completion.

The total consideration is determined after arm's length negotiation between the parties with reference to a price earning ratio based on the unaudited profits (after taxation) of COTHL with reference to its annual account for the year ended 31 December 2009. The total consideration will be financed by CSC from its internal resources.

**Condition:**

Completion is conditional upon the Independent CSC Shareholders approving the Agreement and the transactions contemplated thereunder.

**Completion:**

Completion will take place within five days upon the fulfillment of the condition, or such later date as agreed by the parties. If the condition has not been satisfied 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**

COTHL, through its subsidiaries, owns a 65% equity interest in Nanjing Changjiang Second Bridge Company Limited\* (南京長江第二大橋有限責任公司) which is a company established in the PRC ("Changjiang Second Bridge Company"). The remaining 35% equity interest in Changjiang Second Bridge Company is owned by an independent third party. Changjiang Second Bridge Company is engaged mainly in the construction, operation and management of the Nanjing No. 2 Yangtze River Bridge (the "Bridge") located at Nanjing city in the PRC.

The Bridge has a length of approximately 21 kilometres, comprising of the south and north branch bridges as well as the south, Bagua Islet and north approaches. Changjiang Second Bridge Company was granted the exclusive right by the Nanjing Municipal Government to operate the Bridge and its ancillary facilities, including the establishment of a toll station on the Bridge and collection of tolls, for a term from 10 February 1999 to 25 March 2031.

The COLI Group is principally engaged in property development and investment. Since 2006, COLI has made clear its future business strategy to focus on property development and has gradually disposed of all its infrastructure businesses at suitable times. The Transaction is in line with such business strategy and the sales proceeds will be used for investment of other property development projects. Following completion of the Transaction, COTHL will cease to be a subsidiary of COLI and COLI will cease to hold any infrastructure investment.

Estimating with reference to the aggregate amount of the current consolidated net asset value of COTHL and the Loan of approximately HK\$910 million, a gain of approximately HK\$300 million (subject to audit) is expected to be recorded by COLI.

The CSC Group is principally engaged in building construction, civil engineering works, infrastructure investments and project consultancy businesses 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. The directors of CSC also believe that the Transaction will generate synergy with and enhance operational efficiency of the existing and future infrastructure investments of the CSC 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 (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 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, CORB, CSC and Ever Power are associates of COHL. Accordingly, CSC and Ever Power are connected persons of COLI, and COLI and CORB 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 5% but less than 25%, the Transaction constitutes a discloseable and connected transaction for CSC and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. 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 will be 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 is expected to be despatched to the CSC Shareholders on or before 20 October 2010 in accordance with the Listing Rules. If there is expected to be delay in despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular.

## DEFINITIONS

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

“Agreement”	the agreement dated 30 September 2010 between CORB and Ever Power in relation to the sale and purchase of 100% of the issued share capital of COTHL and the Loan;
“associate(s)”, “connected person(s)”, “controlling shareholder” and “subsidiary”	each shall have the meaning ascribed to it in the Listing Rules;
“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;
“CORB”	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;
“COTHL”	China Overseas Technology Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of CORB;
“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 EGM”	the extraordinary general meeting of CSC to be held to consider and, if thought fit, approve, among other things, the Transaction, the Agreement and the transactions contemplated thereunder;
“CSC Group”	CSC and its subsidiaries from time to time;
“CSC Shareholders”	holders of shares in the ordinary share capital of CSC;
“Ever Power”	Ever Power Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of CSC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“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 loan owing by COTHL to COLI Group as at Completion, and as at the date of the Agreement, of an amount of approximately HK\$910 million;
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the sale and purchase of 100% of the issued share capital of COTHL and the Loan under the Agreement, and the transactions contemplated thereunder; and
“%”	per cent..

*For illustration purposes in this announcement, the amounts in RMB are translated to HK\$ at the rate of RMB0.88 = HK\$1.00. No representation is made that any amount in RMB has been or could be converted at the above rate or 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.*