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**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)**

**PROPOSED RIGHTS ISSUE ON THE BASIS OF  
ONE RIGHTS SHARE FOR EVERY FIVE EXISTING SHARES HELD**

*Underwriter*

**CHINA OVERSEAS FINANCE INVESTMENT LIMITED**

**RIGHTS ISSUE**

The Company proposes to raise not less than approximately HK\$3,580 million before expenses by way of rights issue of 597,364,659 Rights Shares at a price of HK\$6.00 per Rights Share.

The Company will provisionally allot one Rights Share in nil-paid form for every five Existing Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue is not available to the Non-Qualifying Shareholders.

The 597,364,659 nil-paid Rights Shares proposed to be provisionally allotted represent: (a) approximately 20.00% of the Company's existing issued share capital; and (b) approximately 16.67% of the Company's enlarged issued share capital as enlarged by the issue of the Rights Shares.

As at the date of this announcement, COHL (the controlling shareholder of the Company), together with Silver Lot (COHL's wholly owned subsidiary), are interested in an aggregate of 1,849,011,384 Shares, representing approximately 61.91% of the issued share capital of the Company. Pursuant to the Irrevocable Undertaking, COHL has irrevocably undertaken to the Company that it will take up 353,779,217 Rights Shares, and will procure Silver Lot to take up 16,023,058 Rights Shares, representing their respective full entitlements to the new Shares under the Rights Issue. Pursuant to the Underwriting Agreement dated 18 March 2011, COFI has conditionally agreed to fully underwrite all the Rights Shares other than those agreed to be taken up by COHL and Silver Lot pursuant to the Irrevocable Undertaking.

The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable.

### **WARNING OF THE RISKS OF DEALINGS IN SHARES**

**It should be noted that the Rights Issue is conditional upon several conditions, details of which are set out in the section headed "Underwriting Arrangements — Conditions of the Rights Issue" in the full text of this announcement. The obligation of COFI to underwrite the relevant Rights Shares is conditional on (i) the satisfaction (or waiver) of, among other things, the conditions referred to in the section headed "Underwriting Arrangements — Conditions of the Rights Issue" in full text of this announcement, and (ii) the Underwriting Agreement not being terminated by COFI in accordance with its terms. If the conditions are not fulfilled (or waived) or the Underwriting Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.**

**Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which COFI's right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Tuesday, 19 April 2011 to Friday, 29 April 2011 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.**

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 11 April 2011 to Friday, 15 April 2011 (both dates inclusive) during which period no transfer of Shares will be registered.

## **RIGHTS ISSUE**

The Company is going to raise long term equity capital by way of a rights issue on the terms set out below.

**Issue statistics (prepared on the basis of the Company's existing 2,986,823,298 Shares in issue and without taking into account any Shares which may be issued between the date of this announcement and the Record Date)**

- Basis of the Rights Issue : one Rights Share for every five Existing Shares
- Number of Shares in issue : 2,986,823,298 Shares as at the date of this announcement
- Number of outstanding Share Options : The Company has 60,755,678 outstanding Share Options as at the date of this announcement, but none of them shall be exercisable on or before the Record Date. Other than the Share Options, the Company has no outstanding options, warrants or other securities convertible into or giving rights to subscribe for Shares as at the date of this announcement
- Number of Rights Shares : 597,364,659 Rights Shares
- Subscription price per Rights Share : HK\$6.00 per Rights Share
- Enlarged issued share capital upon completion of the Rights Issue : 3,584,187,957 Shares
- Underwriter : COFI

The 597,364,659 nil-paid Rights Shares proposed to be provisionally allotted represent: (a) approximately 20.00% of the Company's existing issued share capital; and (b) approximately 16.67% of the Company's enlarged issued share capital as enlarged by the issue of the Rights Shares.

### **Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must be: (i) registered as a member of the Company at the close of business on the Record Date; and (ii) a Qualifying Shareholder.

The Company will send the Prospectus Documents to the Qualifying Shareholders.

### **Closure of register of members**

The register of members of the Company will be closed from Monday, 11 April 2011 to Friday, 15 April 2011 (both dates inclusive) during which period no transfer of Shares will be registered. In order to be registered as a member of the Company at the close of business on the Record Date so as to qualify for the Rights Issue, any transfer of Shares must be lodged with the Company's branch share registrar in Hong Kong, being Tricor Standard Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 8 April 2011.

### **Subscription Price**

The subscription price for the Rights Shares is HK\$6.00 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, upon application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for Rights Shares. The Subscription Price represents:

- (i) a discount of approximately 16.67% to the Last Closing Price;
- (ii) a discount of approximately 14.29% to the theoretical ex-rights price of HK\$7.00 per Share, which is calculated on the basis of the Last Closing Price;
- (iii) a discount of approximately 19.68% to the average of the closing prices per Share for the five trading days ended on the Last Trading Day of approximately HK\$7.47; and
- (iv) a discount of approximately 20.74% to the average of the closing prices per Share for the ten trading days ended on the Last Trading Day of approximately HK\$7.57.

The Subscription Price was arrived at with reference to the then market environment and the prevailing Share prices. After taking into consideration the reasons for the Rights Issue as stated in the section headed "Reasons for the Rights Issue and use of proceeds" below, the Directors consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values as indicated above) and in the context of the Company's long-term business strategy, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Basis of provisional allotment**

The basis of the provisional allotment shall be one Rights Share for every five Existing Shares held, being 597,364,659 Rights Shares at a price of HK\$6.00 per Rights Share. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a cheque or banker's cashier order for the Rights Shares being applied for. No odd lot matching services will be provided. Fractional entitlements to any Rights Shares will be disregarded and will be aggregated and allocated to satisfy excess applications (if any) and/or disposed of in such manner as the Directors in their absolute discretion deem appropriate and for the benefits and interests of the Company and more particularly described in the section headed "Application for excess Rights Shares" below.

### **Share certificates and refund cheques for the Rights Issue**

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on Monday, 16 May 2011 to those who have accepted and (where applicable) applied for, and paid for, the Rights Shares by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on Monday, 16 May 2011 by ordinary post to the applicants at their own risk.

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue such that holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions the record dates of which are on or after the date of allotment of the Rights Shares.

### **Rights of Overseas Shareholders**

The Prospectus Documents are not intended to be registered or filed under applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

Prior to the issue of the Prospectus, the Company will make enquiries with overseas legal advisers regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on the legal opinions obtained by the Company, the Directors

consider that it is necessary or expedient not to offer the Rights Shares to any Overseas Shareholder on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholder pursuant to Rule 13.36(2)(a) of the Listing Rules. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send any PAL and EAF to the Non-Qualifying Shareholders.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold for their benefit as soon as practicable after dealings in nil-paid rights commence on the Stock Exchange and in any event before the Acceptance Date at a net premium in excess of all expenses of sale. The aggregate net proceeds of such sale will be distributed to the Non-Qualifying Shareholders pro-rata to their shareholdings on the Record Date, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit.

#### **Application for excess Rights Shares**

Qualifying Shareholders may apply, by way of excess application, for Rights Shares representing fractional entitlements together with any Rights Shares provisionally allotted but not accepted and any Rights Shares representing any unsold entitlements of the Non-Qualifying Shareholders.

Applications for excess Rights Shares should be made only by completing an EAF and lodging the same with a separate cheque or banker's cashier order for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis in proportion to the number of excess Rights Shares being applied for under each application.

However, no preference will be given to topping-up odd lots to whole board lots.

Shareholders who have been offered odd lots of the Rights Shares should note that there is no guarantee that such odd lots of the Rights Shares will be topped up to create whole board lots pursuant to applications for excess Rights Shares. Any Rights Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter.

Investors with their Shares held by a nominee (or CCASS) should note that the Board will regard the nominee (including CCASS) as a single Shareholder according to the register of members of the Company. Investors with their Shares held by a nominee (or CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own name(s) prior to the Record Date.

For investors whose Shares are held by a nominee (or CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the branch share registrar of the Company in Hong Kong, being Tricor Standard Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for completion of the relevant registration by 4:30 p.m. on Friday, 8 April 2011.

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his provisional allotment, he must complete and sign an EAF and lodge it, together with a separate cheque or banker's cashier order for the amount payable on application in respect of the excess Rights Shares applied for, with the branch share registrar of the Company in Hong Kong, being Tricor Standard Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong by a time which is currently expected to be 4:00 p.m. on Thursday, 5 May 2011, or such later time and/or date as may be agreed between the Company and COFI.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The nil-paid Rights Shares shall have the board lot size of 2,000 nil-paid Rights Shares in one board lot, same as the existing board lot size of the Shares, namely, 2,000 Shares in one board lot. Dealings in the Rights Shares in their nil-paid and fully-paid forms will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

### **IRREVOCABLE UNDERTAKING FROM COHL**

As at the date of this announcement, COHL (the controlling shareholder of the Company), together with Silver Lot (COHL's wholly owned subsidiary), are interested in an aggregate of 1,849,011,384 Shares, representing approximately 61.91% of the issued share capital of the Company. Pursuant to the Irrevocable Undertaking, COHL has irrevocably undertaken to the Company that it will take up 353,779,217 Rights Shares, and will procure Silver Lot to take up 16,023,058 Rights Shares, representing their respective full entitlements to the new Shares under the Rights Issue.

## **UNDERWRITING ARRANGEMENTS**

### **The Underwriting Agreement**

- Date : 18 March 2011
- Parties : The Company and COFI as the underwriter
- Number of Rights Shares underwritten : 227,562,384 Rights Shares, being the difference between the total number of Rights Shares and the aggregate of 369,802,275 Rights Shares undertaken to be taken up by COHL and Silver Lot (COHL's wholly owned subsidiary) pursuant to the Irrevocable Undertaking
- Underwriter's commission : 2.5% of the aggregate Subscription Price in respect of the 227,562,384 Rights Shares being underwritten. The Directors (including the Independent Non-executive Directors) are of the view that the rate of commission is fair and reasonable.

COFI has conditionally agreed to fully underwrite the difference between the total number of Rights Shares and the aggregate of 369,802,275 Rights Shares undertaken to be taken up by COHL and Silver Lot (COHL's wholly owned subsidiary) pursuant to the Irrevocable Undertaking. The number of Rights Shares to be underwritten by COFI will be 227,562,384 Rights Shares, representing approximately 6.35% of the issued share capital of the Company as enlarged by the issue of the said Rights Shares.

### **Connected transaction**

COFI is a wholly owned subsidiary of COHL, the controlling shareholder of the Company, and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction for the Company. Pursuant to Rule 14A.31(3)(c) of the Listing Rules, the above connected transaction is exempt from all the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.



## **Conditions of the Rights Issue**

The Rights Issue is conditional, among other things, upon fulfillment (or waiver, if permitted by the terms of the Underwriting Agreement) of the following conditions:

- (a) the issue by the Stock Exchange of a certificate of authorisation of registration in respect of, and the registration of one duly signed copy of, each of the Prospectus Documents (and all other documents required by Section 342C of the Companies Ordinance to be attached thereto) by the Registrar of Companies in Hong Kong prior to the Prospectus Posting Date;
- (b) the posting on the Prospectus Posting Date of copies of the Prospectus Documents to Qualifying Shareholders;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant, in writing, listing of and permission to deal in the Rights Shares in nil-paid and fully-paid forms (subject only to allotment and despatch of the appropriate documents of title) at or prior to 9:30 a.m. on Friday, 6 May 2011 or the first trading day of the Rights Shares in nil-paid form if earlier, and such grant or agreement to grant not being withdrawn or revoked prior to the Settlement Date;
- (d) compliance with and performance of all obligations of COHL under the Irrevocable Undertaking; and
- (e) the Underwriting Agreement not having terminated in accordance with its terms.

If the conditions of the Rights Issue are not fulfilled (or waived, if permitted by the terms of the Underwriting Agreement, in whole or in part by COFI) by the Latest Time for Termination (or such later date or time as COFI may agree in writing with the Company pursuant to the Underwriting Agreement), the obligations of the parties arising from the Underwriting Agreement shall terminate and cease and no party shall have any claim against any other party (except in respect of any antecedent breach) and the Rights Issue will not proceed.

## **Termination of the Underwriting Agreement**

COFI may terminate the arrangements set out in the Underwriting Agreement by written notice to the Company at any time prior to the Latest Time for Termination if:

- (a) there comes to the notice of COFI or it shall have reasonable cause to believe that any of the undertakings or other obligations expressed to be assumed by or imposed on the Company under the Underwriting Agreement have not been complied with in any material respect; or

- (b) there comes to the notice of COFI or it shall have reasonable cause to believe or it is aware of the fact that any of the undertakings or other obligations expressed to be assumed by or imposed on COHL under the Irrevocable Undertaking have not been complied with in any respect; or
- (c) there comes to the notice of COFI or it shall have reasonable cause to believe that (i) any of the representations or warranties given by the Company under the Underwriting Agreement was or is untrue, incorrect, incomplete or misleading in any material respect, or (ii) any event has occurred or matter has arisen, which, if it had occurred or arisen before the date of the Underwriting Agreement or before the dates or before any time on which the representations, warranties and undertakings are deemed to be given would render any of those representations warranties or undertakings untrue, incorrect, incomplete or misleading in any material respect; or
- (d) (i) the Prospectus Documents, when published, would contain information which would be untrue, inaccurate, incomplete or misleading in any material respect, (ii) matters have arisen or been discovered which would, if the Prospectus Documents were to be issued at the time, render any information contained therein to be untrue, inaccurate, incomplete or misleading in any material respect, (iii) matters have arisen or been discovered which would, if the Prospectus Documents were to be issued at the time, constitute a material omission therefrom, or (iv) there is any adverse change in the business or in the financial or trading position or prospects of the Group which in the reasonable opinion of COFI is material in the context of the issue of the Rights Shares; or
- (e) there develops, occurs, exists or comes into effect any events, including:
  - (i) the introduction of any new law or regulation or any change in existing laws or regulations (or any change in the judicial interpretation thereof) whether in Hong Kong or the Cayman Islands; or
  - (ii) any adverse change or deterioration (whether or not permanent) in local, national or international economic, financial, political or military conditions or any event beyond the control of the Company; or
  - (iii) any adverse change or deterioration (whether or not permanent) in local, national or international securities market conditions; or

- (iv) without prejudice to sub-paragraphs (ii) and (iii) above, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial or political circumstances or otherwise; or
- (v) any suspension in the trading of Shares on the Stock Exchange for a continuous period of ten (10) business days (other than any suspension for the purpose of obtaining clearance from the Stock Exchange for the publication of this announcement or any other announcements relating to the Rights Issue),

and in the reasonable opinion of COFI (a) the success of the Rights Issue or the business or financial condition or prospects of the Group would be materially and adversely affected; or (b) which makes it inadvisable or inexpedient to proceed with the Rights Issue; or (c) which would have the effect of making any part of the Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms.

**Upon the giving of notice of termination, all the liabilities of COFI and the Company under the Underwriting Agreement shall cease and terminate and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (other than antecedent breaches). If COFI exercises such right, the Rights Issue will not proceed.**

#### **WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES**

**As mentioned, the Rights Issue is conditional upon several conditions, set out in the section headed “Underwriting Arrangements — Conditions of the Rights Issue” above. The obligation of COFI to underwrite the relevant Rights Shares is also conditional on (i) the satisfaction (or waiver) of, among other things, the conditions referred to in the section headed “Underwriting Arrangements — Conditions of the Rights Issue” above, and (ii) the Underwriting Agreement not being terminated by COFI in accordance with its terms. If the conditions are not fulfilled (or waived) or the Underwriting Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.**

**The Shares will be dealt in on an ex-rights basis from Thursday, 7 April 2011. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 19 April 2011 to Friday, 29 April 2011 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled (or waived), the Underwriting Agreement will terminate and the Rights Issue will not proceed. If the Underwriting Agreement is terminated by COFI, the Rights Issue also will not proceed.**

**Any Shareholder or other person contemplating selling or purchasing Shares or the Rights Shares in their nil-paid form and who is in any doubt about his position, is recommended to consult his professional adviser. Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which COFI's right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Tuesday, 19 April 2011 to Friday, 29 April 2011 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.**

#### **EXPECTED TIMETABLE**

The expected timetable for the proposed Rights Issue is set out below:

**2011**

Last day of dealings in Shares on a cum-rights basis . . . . .	Wednesday, 6 April
First day of dealings in Shares on an ex-rights basis . . . . .	Thursday, 7 April
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue . . . . .	4:30 p.m. on Friday, 8 April
Register of members closes (both dates inclusive) . . . . .	Monday, 11 April to Friday, 15 April
Record Date . . . . .	Friday, 15 April
Prospectus Documents expected to be despatched on . . . . .	Friday, 15 April

Register of members re-opens .....	Monday, 18 April
First day of dealings in nil-paid Rights Shares .....	Tuesday, 19 April
Latest time for splitting of nil-paid Rights Shares .....	4:30 p.m. on Tuesday, 26 April
Last day of dealings in nil-paid Rights Shares .....	Friday, 29 April
Latest time for acceptance and payment for Rights Shares and application and payment for excess Rights Shares .....	4:00 p.m. on Thursday, 5 May
Latest time for termination of the Underwriting Agreement .....	4:00 p.m. on Friday, 6 May
Publication of the announcement of results of acceptance and excess application of Rights Issue .....	Friday, 13 May
Refund cheques in respect of unsuccessful or partially successful application for excess Rights Shares expected to be despatched on or before .....	Monday, 16 May
Certificates for fully-paid Rights Shares expected to be despatched on or before .....	Monday, 16 May
Expected first day of dealings in fully-paid Rights Shares .....	Wednesday, 18 May

*Note:* All dates and times referred to in this announcement are Hong Kong dates and times. Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by agreement between the Company and COFI. Further announcement will be made in the event that there is any change to the expected timetable for the Rights Issue.

## **SHAREHOLDINGS IN THE COMPANY**

The shareholdings in the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue (assuming all Rights Shares will be taken up by Qualifying Shareholders); and (iii) immediately after completion of the Rights Issue (assuming no Rights Shares will be taken up by Qualifying Shareholders

other than COHL and Silver Lot pursuant to the Irrevocable Undertaking and COFI will take up all unsubscribed Rights Shares pursuant to the Underwriting Agreement), will be as follows:

	Existing shareholding as at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Rights Shares will be taken up by Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming no Rights Shares will be taken up by Qualifying Shareholders other than COHL and Silver Lot pursuant to the Irrevocable Undertaking and COFI will take up all unsubscribed Rights Shares pursuant to the Underwriting Agreement)	
	Approximate		Approximate		Approximate	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
COHL and Silver Lot	1,849,011,384	61.906	2,218,813,659	61.906	2,218,813,659	61.906
COFI	—	—	—	—	227,562,384	6.349
Directors	21,328,032	0.714	25,593,637	0.714	21,328,032	0.595
Public Shareholders	<u>1,116,483,882</u>	<u>37.380</u>	<u>1,339,780,661</u>	<u>37.380</u>	<u>1,116,483,882</u>	<u>31.150</u>
<b>Total</b>	<u>2,986,823,298</u>	<u>100.000</u>	<u>3,584,187,957</u>	<u>100.000</u>	<u>3,584,187,957</u>	<u>100.000</u>

## REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in building construction, civil engineering works, infrastructure investment and project consultancy businesses.

COHL has offered its support to the Group for raising fund through the proposed Rights Issue. The Directors believe that the fund raising can augment the financial position of the Group to enable it to capture more investment opportunities of infrastructure projects in the PRC. The proposed Rights Issue can also enlarge the capital base of the Company. The Directors also believe that it would be in the interests of the Company and the Shareholders to raise long-term equity funding via the proposed Rights Issue to strengthen the Company's financial position and increase its general working capital for its future business development, whilst allowing all the Qualifying Shareholders the equitable opportunity to increase their investment in the Company and participate in the Company's prospects. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

The Rights Issue will expand the Company's funding capability to enhance the Group's business. On this basis, the Directors consider that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

The estimated net proceeds of the Rights Issue will not be less than approximately HK\$3,540 million and are intended to be used for further investment in infrastructure projects and for general working capital of the Group.

The estimated expenses of the Rights Issue (including professional fees and other related expenses) amount to approximately HK\$40 million and will be borne by the Company.

### **ADJUSTMENTS IN RELATION TO THE EXERCISE PRICE AND/OR NUMBER OF SHARE OPTIONS**

The Rights Issue, if it becomes unconditional, may lead to adjustments to the exercise price and/or the number of new Shares to be issued upon exercise of the outstanding Share Options. Pursuant to the terms of the Share Option Scheme, the Company will consult its auditor for the required adjustments and the holders of the Share Options will be informed of the required adjustments (if any) as soon as practicable. Further announcement will be made for adjustments to exercise price/number of the Share Option, if and when required and in accordance with the Listing Rules.

### **PREVIOUS FUND RAISING EXERCISE OF THE COMPANY**

The Company has not undertaken any equity fund raising exercise in the past 12 months ending on the date of this announcement.

### **DEFINITIONS**

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

- |                   |   |
|-------------------|---|
| “Acceptance Date” | the last business day on which payment for and acceptance of the Rights Shares can be made under the Rights Issue, which shall be Thursday, 5 May 2011 (or such later date as may be agreed in writing between the Company and COFI); |
| “Board”           | the board of Directors;   |

“business day”	a day (other than a Saturday or Sunday) on which commercial banks in Hong Kong are generally open for business;
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“COFI”	China Overseas Finance Investment Limited, a wholly owned subsidiary of COHL;
“COHL”	China Overseas Holdings Limited, the controlling shareholder of the Company;
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the laws of Hong Kong);
“Company”	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EAF(s)”	the excess application form(s) for additional Rights Shares proposed to be issued to the Qualifying Shareholders;
“Existing Shares”	the Shares which are in issue on the Record Date;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Irrevocable Undertaking”	the irrevocable undertaking dated 18 March 2011 given by COHL in favour of the Company to take up 353,779,217 Rights Shares, and procure Silver Lot to take up 16,023,058 Rights Shares;



“Last Closing Price”	the closing price of HK\$7.20 per Share as quoted on the Stock Exchange on the Last Trading Day;
“Last Trading Day”	17 March 2011;
“Latest Time for Termination”	4:00 p.m. on Friday, 6 May 2011;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macao Special Administrative Region of the PRC;
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal opinions obtained by the Company, consider it necessary or expedient not to offer Rights Shares on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register is/are outside Hong Kong;
“PAL(s)”	the renounceable provisional allotment letter(s) representing the Rights Shares proposed to be issued to the Qualifying Shareholders under the Rights Issue;
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan;
“Prospectus”	the prospectus relating to the issue of the Rights Shares to be despatched on the Prospectus Posting Date to the Qualifying Shareholders and, for information only, to the Non-Qualifying Shareholders, under the Rights Issue;
“Prospectus Documents”	the Prospectus, PAL and EAF;

“Prospectus Posting Date”	the business day on which the Prospectus Documents will be despatched to Shareholders, which is now expected to be Friday, 15 April 2011 (or such other date to be agreed in writing between the Company and COFI);
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date;
“Record Date”	the record date by reference to which entitlements to the Rights Issue will be determined, which is now expected to be Friday, 15 April 2011 (or such other date to be agreed in writing between the Company and COFI);
“Rights Issue”	the issue by way of rights of one Rights Share for every five Existing Shares at the Subscription Price, payable in full on acceptance;
“Rights Share(s)”	597,364,659 Shares, being the new Share(s) to be allotted and issued by way of rights to the Qualifying Shareholders under the Rights Issue;
“Settlement Date”	6 May 2011;
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Share Option(s)”	the share option(s) granted by the Company pursuant to the Share Option Scheme;
“Share Option Scheme”	the share option scheme of the Company adopted on 9 June 2005;
“Silver Lot”	Silver Lot Development Limited, a wholly owned subsidiary of COHL;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	HK\$6.00 per Rights Share;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;

“Underwriting Agreement”

the underwriting agreement dated 18 March 2011 entered into between the Company and COFI in relation to the underwriting and certain other arrangements in respect of the Rights Issue; and

“%”

per cent.

\* *The number of Rights Shares attributable to a particular Shareholder set out in this announcement is for illustration purpose only and the actual number may change due to the fact that the Shares may be held by different nominees and as a result of rounding resulting from fractional entitlements.*

By Order of the Board  
**China State Construction  
International Holdings Limited**  
**Kong Qingping**  
*Chairman and Non-executive Director*

Hong Kong, 18 March 2011

*As at the date of this announcement, the Board 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.*