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CONNECTED TRANSACTION

FORMATION OF JOINT VENTURE IN RELATION TO LAND IN SHENZHEN

FORMATION OF JOINT VENTURE

On 18 September 2015, CO Property (a wholly-owned subsidiary of COLI) and Shenzhen Hailong (a wholly-owned subsidiary of CSC) entered into the JV Agreement, pursuant to which Shenzhen Hailong agreed to contribute RMB2.5 million (equivalent to approximately HK\$3.0 million) for the increase in registered capital of the JV Company. Following the Capital Increase, the registered capital of the JV Company will be increased from RMB10.0 million (equivalent to approximately HK\$12.2 million) to RMB12.5 million (equivalent to approximately HK\$15.2 million), and the JV Company will be owned as to 80% and 20% by CO Property and Shenzhen Hailong, respectively. The JV Agreement also sets out matters in relation to the management of the JV Company.

LISTING RULES IMPLICATIONS

COHL is a controlling shareholder of both COLI and CSC by virtue of being interested in approximately 61.2% of the issued share capital of COLI and approximately 57.6% of the issued share capital of CSC. Accordingly, CO Property (being a wholly-owned subsidiary of COLI) is a connected person of CSC and Shenzhen Hailong (being a wholly-owned subsidiary of CSC) is a connected person of COLI. The JV Transactions constitute connected transactions for each of COLI and CSC under Chapter 14A of the Listing Rules. Since certain of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules calculated for both COLI and CSC in respect of the JV Transactions exceed 0.1% but all are less than 5%, the JV Transactions are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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THE JV AGREEMENT

Date

18 September 2015

Parties

- (1) CO Property, a wholly-owned subsidiary of COLI
- (2) Shenzhen Hailong, a wholly-owned subsidiary of CSC

Increase of Registered Capital

As at the date of this announcement, the JV Company has a registered capital of RMB10.0 million (equivalent to approximately HK\$12.2 million), all of which is contributed by CO Property.

CO Property agrees to increase the registered capital of the JV Company to RMB12.5 million (equivalent to approximately HK\$15.2 million), i.e. an increase of RMB2.5 million (equivalent to approximately HK\$3.0 million) (the “**Capital Increase Amount**”). The Capital Increase Amount shall be contributed by Shenzhen Hailong by way of cash within five days from the date of the JV Agreement.

The Capital Increase Amount is determined with reference to the existing net assets of the JV Company.

Following completion of the Capital Increase, the JV Company shall be owned as to 80% and 20% by CO Property and Shenzhen Hailong, respectively.

Funding

Shenzhen Hailong has paid an amount of RMB177.6 million (equivalent to approximately HK\$216.6 million) (determined by multiplying the consideration payable for the Land by the 20% equity interest to be held by Shenzhen Hailong in the JV Company) as earnest money for co-investment in the Land (the “**Earnest Money**”). Following the completion of the Capital Increase, the Earnest Money shall be converted into shareholders loan due by the JV Company to Shenzhen Hailong.

Any additional funding requirements of the JV Company shall first be satisfied by external fund-raising. In the event that the JV Company is unable to raise sufficient funds for its operations, the JV Company may by notice in writing request CO Property and Shenzhen Hailong to advance shareholders’ loans to the JV Company in proportional to their respective equity interest in the JV Company.

The JV Company shall promptly repay the shareholders’ loans and distribute proceeds to its shareholders when excess profits are generated.

Management

Upon completion of the Capital Increase, the board of directors of the JV Company shall consist of four directors, of which three directors shall be appointed by CO Property and one director shall be appointed by Shenzhen Hailong. The chairman of the board shall be a director appointed by CO Property.

The JV Company shall have one supervisor appointed by CO Property.

Profit/loss sharing

The profit/loss in respect of the JV Company shall be shared by CO Property and Shenzhen Hailong in proportion to their respective equity interests in the JV Company.

Failure to complete

CO Property shall be responsible for completing all formalities in relation to the increase of registered capital and change of shareholder of JV Company. If such formalities cannot be completed within two months from the date of the JV Agreement, CO Property and the JV Company shall unconditionally refund the Earnest Money and the Capital Increase Amount to Shenzhen Hailong. CO Property further agrees to pay to Shenzhen Hailong a fund usage fee at the charging rate with reference to the People’s Bank of China on the Earnest Money for the period commencing on the date of receipt of the Earnest Money and ending on the date of payment of such fund usage fee.

Possible engagement of Shenzhen Hailong

The parties acknowledge that the JV Company may invite Shenzhen Hailong to tender for the JV Company's construction works in respect of the Land. In the event that Shenzhen Hailong is awarded the construction contract, such contract shall be on normal commercial terms and in compliance with the terms of the CSC Group Engagement Agreement and the requirements of the Listing Rules.

INFORMATION ABOUT THE JV COMPANY AND THE LAND

The JV Company is a limited liability company established in the PRC with a registered capital of RMB10.0 million (equivalent to approximately HK\$12.2 million) and wholly-owned by COLI. The JV Company is principally engaged in the property development and owns the Land.

The Land is situated at Guiyuan Street, Lowu district of Shenzhen, the PRC and has a site area of approximately 47,000 square metres and a gross floor area of approximately 256,000 square metres (of which approximately 144,000 square metres shall be allocated for the construction of relocation housing). The Land is planned for residential use, and it is intended to construct residential premises as well as ancillary facilities such as nurseries on the Land. Based on current construction plans, the estimated total investment amount for the construction and development of residential premises on the Land is approximately RMB2,100.0 million (equivalent to approximately HK\$2,561.0 million). The consideration paid for the acquisition of the Land is RMB888.0 million (equivalent to approximately HK\$1,082.9 million).

As the JV Company is newly incorporated in 2015, no financial information for the past two financial years is available. The unaudited net asset value of the JV Company as at 30 June 2015 was RMB10.0 million (equivalent to approximately HK\$12.2 million).

FINANCIAL IMPACT ON COLI

Following completion of the Capital Increase, the JV Company shall be owned as to 80% and 20% by CO Property and Shenzhen Hailong, respectively. The JV Company shall be accounted for as a subsidiary by COLI and as an associate by CSC.

The JV Transactions results in a deemed disposal by COLI of 20% equity interest in the JV Company. Since the consideration for the aforesaid deemed disposal, being the Capital Increase Amount, is payable by Shenzhen Hailong to the JV Company as its contribution towards the registered capital of the JV Company, the COLI Group does

not receive any proceeds for the disposal. Since the consideration payable by Shenzhen Hailong in respect of the 20% equity interest in the JV Company is determined at cost, COLI did not incur any gain or loss as a result of the deemed disposal.

REASONS AND BENEFITS OF THE JV TRANSACTIONS

CO Property is principally engaged in the property development and investment holding in the PRC.

Shenzhen Hailong is principally engaged in the research and development, design and production of precast elements, such as internal and external walls, staircases, balconies, kitchen and bathroom facilities for industrialised residential housing, and has during the past 20 years been supplying construction products for numerous construction projects in Hong Kong and the PRC.

The COLI Group has extensive experience in property development in the PRC, whereas the CSC Group possesses precast production capabilities which are complementary to the development of the Land. The board of directors of both COLI and CSC believe that the cooperation under the JV Agreement will bring synergy between the COLI Group and the CSC Group which would in turn be beneficial to the development of the Land.

The COLI Directors (including the independent non-executive COLI Directors) consider that the terms of the JV Agreement are on normal commercial terms and in the ordinary and usual course of business of COLI, and are fair and reasonable and in the interests of COLI and its shareholders as a whole.

The CSC Directors (including the independent non-executive CSC Directors) consider that the terms of the JV Agreement are on normal commercial terms and in the ordinary and usual course of business of CSC, and are fair and reasonable and in the interests of CSC and its shareholders as a whole.

LISTING RULES IMPLICATIONS

COHL is a controlling shareholder of both COLI and CSC by virtue of being interested in approximately 61.2% of the issued share capital of COLI and approximately 57.6% of the issued share capital of CSC. Accordingly, CO Property (being a wholly-owned subsidiary of COLI) is a connected person of CSC and Shenzhen Hailong (being a wholly-owned subsidiary of CSC) is a connected person of COLI. The JV Transactions constitute connected transactions for each of COLI and

CSC under Chapter 14A of the Listing Rules. Since certain of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules calculated for both COLI and CSC in respect of the JV Transactions exceed 0.1% but all are less than 5%, the JV Transactions are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As none of the COLI Directors or the CSC Directors has a material interest in the JV Transactions, no COLI Director or CSC Director is required to abstain from voting on the board resolution(s) approving the JV Transactions.

INFORMATION OF THE COLI GROUP AND THE CSC GROUP

The COLI Group is principally engaged in property development and investment, real estate agency and management, and treasury operations.

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

OTHER VOLUNTARY DISCLOSURE BY CSC

Reference is made to the announcement issued by CSC dated 26 June 2015 in relation to, among other things, the voluntary disclosure regarding the New Master Security Services Agreement entered into between CSC and COPL.

At the request of COPL, CSC and COPL are in discussions regarding a downward adjustment of the maximum total contract sum that may be awarded by CSC Group to COPL Group for the provision of the security services under the New Master Security Services Agreement to (i) not exceeding HK\$10.0 million (or below) for the period between 1 July 2015 and 31 December 2015; (ii) not exceeding HK\$20.0 million (or below) for each of the two years ending 31 December 2017; and (iii) not exceeding HK\$10.0 million (or below) for the period between 1 January 2018 and 30 June 2018 (the "**Cap Amounts**"). The final agreed Cap Amounts will be disclosed by CSC in its annual report. As all the applicable percentage ratios as defined in the Listing Rules in respect of the maximum Cap Amounts are less than 0.1%, the transactions contemplated under the New Master Security Services Agreement are exempt from annual review, reporting and announcement and independent shareholders' approval requirements. The disclosure herein is made on voluntary basis. Save for the aforesaid, the terms of the New Master Security Services Agreement remain unchanged.

DEFINITIONS

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

“Capital Increase”	means the increase of registered capital of the JV Company as described in the section headed “The JV Agreement — Increase of Registered Capital” of this announcement;
“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 in approximately 61.2% and 57.6% of the issued share capital of COLI and CSC, respectively;
“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 Director(s)”	directors of COLI;
“COLI Group”	COLI and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time;
“COPL”	China Overseas Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability and a direct wholly-owned subsidiary of COLI as at the date of this announcement;
“COPL Group”	COPL and its subsidiaries from time to time;
“CO Property”	China Overseas Property Group Co. Ltd., a company established in the PRC with limited liability and a wholly-owned subsidiary of COLI;
“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 Director(s)”	directors of CSC;

“CSC Group”	CSC and its subsidiaries (excluding Far East Global Group Limited and its subsidiaries) from time to time;
“CSC Group Engagement Agreement”	the engagement agreement entered into between COLI and CSC on 31 October 2014 in respect of the engagement of members of the CSC Group by members of the COLI Group as construction contractor of the COLI Group for COLI Group’s construction works in the PRC, Hong Kong and Macao from time to time, particulars of which are described in the joint announcement of COLI and CSC dated 31 October 2014;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“JV Agreement”	the increase in capital agreement dated 18 September 2015 entered into between CO Property and Shenzhen Hailong in relation to the capital injection by Shenzhen Hailong into the JV Company and the management of the JV Company;
“JV Company”	深圳市毅駿房地產開發有限公司 (Shenzhen Yijun Property Development Co. Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of COLI as at the date of this announcement;
“JV Transactions”	the entering into of the JV Agreement and the transactions contemplated thereunder;
“Land”	a parcel of land situated at Guiyuan Street, Lowu district of Shenzhen, the PRC as described in the section headed “Information about the JV Company and the Land” of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macao”	The Macao Special Administrative Region of the PRC;

“New Master Security Services Agreement”	the agreement entered into by CSC and COPL on 26 June 2015 in respect of the engagement of members of the COPL Group which hold the relevant licenses by the CSC Group for providing security services to the work sites of the CSC Group in Hong Kong; details of which are described in the announcement dated 26 June 2015 issued by CSC relating to, among other things, the New Master Security Services Agreement;
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macao and Taiwan;
“RMB”	means Renminbi, the lawful currency of the PRC;
“Shenzhen Hailong”	深圳海龍建築製品有限公司 (Shenzhen Hailong Construction Products Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of CSC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

** For identification purpose only*

For the purpose of this announcement and for illustration purpose only, conversion of HK\$ to RMB is based on the exchange rate of HK\$1.00 = RMB0.82. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates.

By Order of the Board
China Overseas Land & Investment Limited
Hao Jian Min
Chairman and Chief Executive Officer

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

Hong Kong, 18 September 2015

The COLI Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the CSC Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the CSC Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than those relating to the CSC Group), the omission of which would make any statement in this announcement misleading.

The CSC Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the COLI Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the COLI Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than those relating to the COLI Group), the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, Messrs. Hao Jian Min (Chairman and Chief Executive Officer), Xiao Xiao (Vice Chairman), Chen Yi, Luo Liang, Nip Yun Wing, Guo Yong and Kan Hongbo are the executive directors of COLI; Mr. Zheng Xuexuan is the non-executive director of COLI; and Messrs. Lam Kwong Siu, Li Man Bun, Brian David and Madam Fan Hsu Lai Tai, Rita are the independent non-executive directors of COLI.

As at the date of this announcement, Mr. Zhou Yong (Chairman and Chief Executive Officer), Mr. Tian Shuchen, Mr. Zhou Hancheng, Mr. Pan Shujie, Mr. Hung Cheung Shew and Mr. Wu Mingqing are the Executive Directors of CSC; and Dr. Raymond Ho Chung Tai, Mr. Adrian David Li Man Kiu, Dr. Raymond Leung Hai Ming and Mr. Lee Shing See are Independent Non-executive Directors of CSC.