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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

FORMATION OF JOINT VENTURE FOR DEVELOPMENT OF THE LAND IN SHENZHEN

FORMATION OF JOINT VENTURE

On 2 December 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 the parties agreed to establish the Project Company on a 50:50 basis for carrying out urban renewal project at the Land in Shenzhen.

LISTING RULES IMPLICATIONS

COHL is a controlling shareholder of both COLI and 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

2 December 2015

Parties

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

Subject Matter

CO Property and Shenzhen Hailong shall establish the Project Company for carrying out urban renewal project at the Land. CO Property and Shenzhen Hailong shall hold 50% and 50% equity interests in the Project Company respectively. Upon establishment, the Project Company will be accounted for as a joint venture of COLI and CSC. The profit/loss in respect of the Project Company shall be shared by CO Property and Shenzhen Hailong in proportion to their respective equity interests in the Project Company.

Registered Capital

The Project Company shall have a registered capital of RMB10,000,000 (equivalent to approximately HK\$12,195,122), which shall be contributed by each of CO Property and Shenzhen Hailong as to RMB5,000,000 (equivalent to approximately HK\$6,097,561). The registered capital shall be contributed by CO Property and Shenzhen Hailong in cash into the Project Company within two weeks after the opening of the account of the Project Company. The payment to be made by each of CO Property and Shenzhen Hailong will be funded by internal resources of COLI Group and CSC Group, respectively.

No party shall transfer or assign all or any part of its equity interests in the Project Company unless the unanimous consent of all shareholders at the shareholders' general meeting of the Project Company has been obtained.

Total Investment Amount

The total investment amount (including the registered capital of the Project Company and the Land Consideration) of the urban renewal project at the Land is RMB1,500,000,000 (equivalent to approximately HK\$1,829,268,293), which was determined after arm's length negotiations between the parties with reference to the proposed capital requirements of the urban renewal project at the Land. The total investment amount shall be contributed by CO Property and Shenzhen Hailong in proportion to their respective equity interests in the Project Company (i.e. on a 50:50 basis).

Information of the Land

Upon formation of the Project Company, Shenzhen Hailong shall procure the injection of the Land to the Project Company for the Land Consideration of RMB150,000,000 (equivalent to approximately HK\$182,926,829), which is determined after arm's length negotiations between the parties with reference to the amount of valuation of the Land (including buildings thereon) conducted by an independent valuer in the PRC, i.e. approximately RMB150,000,000 (equivalent to approximately HK\$182,926,829) as at 30 September 2015.

The Land is situated at Sungang-Qingshui River Zone, Luohu District of Shenzhen, the PRC and has a site area of approximately 28,000 square metres. As at the date of this announcement, the Land was wholly owned by Shenzhen Hailong. According to the available information on hand, the expected gain of the disposal of the Land by CSC Group is approximately RMB61,000,000 (equivalent to approximately HK\$74,390,244), being the difference between the Land Consideration and the book value of the Land.

Future Funding

CO Property shall take the lead in and Shenzhen Hailong shall fully support the financing arrangement of any additional funding requirements (other than the registered capital) of the Project Company.

Management

The board of directors of the Project Company shall comprise six directors, of which three directors shall be appointed by CO Property and three directors shall be appointed by Shenzhen Hailong. The chairman of the board shall be a director appointed by Shenzhen Hailong. Resolutions of the board of directors of the Project Company shall be passed by at least two-thirds of the directors.

The Project Company shall have two supervisors, of which one shall be appointed by CO Property and one shall be appointed by Shenzhen Hailong.

The general manager of the Project Company shall be appointed by CO Property, who shall also be the legal representative of the Project Company and be responsible for the management of the normal operations of the Project Company.

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 Project Company will be principally engaged in carrying out urban renewal project at the Land.

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. 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 the business of property development and investment and other operations.

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

DEFINITIONS

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

“connected person(s)”, “controlling shareholder”, “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% of the total number of shares of COLI and approximately 57.6% of the entire issued share capital of 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 Director(s)”	directors of COLI;
“COLI Group”	COLI and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) 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 subsidiary(ies) listed on any stock exchange) 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;
“JV Agreement”	the project cooperation agreement dated 2 December 2015 entered into between CO Property and Shenzhen Hailong in relation to the formation and the management of the Project Company;
“JV Transactions”	the entering into of the JV Agreement and the transactions contemplated thereunder;
“Land”	a parcel of land situated at Sungang-Qingshui River Zone, Luohu District of Shenzhen, the PRC as described in the section headed “Information of the Land” of this announcement;
“Land Consideration”	RMB150,000,000, being the amount of compensation for the transfer of the title of the Land to be received by Shenzhen Hailong;
“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, the Macao Special Administrative Region of the People’s Republic of China and Taiwan;
“Project Company”	a joint venture company to be established as a limited liability company pursuant to the JV Agreement;
“RMB”	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, 2 December 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 and Nip Yun Wing are the executive directors of COLI; Mr. Zheng Xuexuan is the non-executive director of COLI; and Mr. Lam Kwong Siu, Mr. 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.