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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 IN RELATION TO LAND IN TAI PO

FORMATION OF JOINT VENTURE

On 24 March 2016, COLI, CSC, the JV Company and the Project Company (both being indirect wholly-owned subsidiaries of COLI) entered into the JV Agreement, pursuant to which CSC agreed to procure the CSC Nominee to subscribe for, and the JV Company agreed to allot and issue, two (2) JV Shares at a subscription price of US\$1 per JV Share. Following Completion, the JV Company will be owned as to 80% and 20% by COLI (through the COLI Nominee) and CSC (through the CSC Nominee), respectively. The JV Agreement also sets out matters in relation to the management of the JV Company and the Project Company.

LISTING RULES IMPLICATIONS

As at the date of this joint announcement, 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, COLI is a connected person of CSC and CSC is a connected person of COLI. 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 entering into of the JV Agreement and the transactions contemplated thereunder (including the Subscription) exceed 0.1% but all are less than 5%, the entering into of the JV Agreement and the transactions contemplated thereunder (including the Subscription) are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, following Completion, COLI's interests in the JV Company will be reduced from 100% to 80%. As such, the entering into of the JV Agreement and the transactions contemplated thereunder (including the Subscription) constitutes a deemed disposal for COLI under Rule 14.29 of the Listing Rules. As all applicable percentage ratios are less than 5%, the entering into of the JV Agreement and the transactions contemplated thereunder (including the Subscription) does not constitute a notifiable transaction for COLI under Chapter 14 of the Listing Rules and is not subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

FORMATION OF JOINT VENTURE

On 24 March 2016, COLI, CSC, the JV Company and the Project Company (both being indirect wholly-owned subsidiaries of COLI) entered into the JV Agreement, pursuant to which CSC agreed to procure the CSC Nominee to subscribe for, and the JV Company agreed to allot and issue, two (2) JV Shares at a subscription price of US\$1 per JV Share. Following Completion, the JV Company will be owned as to 80% and 20% by COLI (through the COLI Nominee) and CSC (through the CSC Nominee), respectively. The JV Agreement also sets out matters in relation to the management of the JV Company and the Project Company. Major terms of the JV Agreement are summarised below.

THE JV AGREEMENT

Date

24 March 2016

Parties

- (1) COLI;
- (2) CSC;
- (3) the JV Company; and
- (4) the Project Company.

As at the date of this joint announcement, the Project Company is wholly-owned by the JV Company, the JV Company is wholly-owned by the COLI Nominee, which is in turn wholly-owned by COLI.

As at the date of this joint announcement, 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, each of COLI, the JV Company and the Project Company is a connected person of CSC and CSC is a connected person of COLI.

Subscription of JV Shares

CSC shall procure the CSC Nominee to subscribe for two (2) JV Shares at the aggregate subscription price of US\$2.

The subscription monies shall be paid by CSC (or the CSC Nominee) at Completion. The subscription price was determined based on the nominal value of each JV Share.

Advancement of loan to the Project Company

As at the date of this joint announcement, COLI Finance, a member of the COLI Group, has advanced an inter-company loan in the principal amount of HK\$2,130 million (the “**Inter-company Loan**”) to the Project Company for the payment of the consideration for the acquisition of the Land. The Inter-company Loan is repayable on demand.

At Completion, CSC shall pay, or procure a member of the CSC Group to pay, to COLI Finance at the direction of the Project Company a sum equivalent to 20% of the Inter-company Loan plus interest accrued thereon up to the date on which Completion takes place, as partial settlement of the Inter-company Loan plus interest accrued thereon.

As a result, at Completion, the Project Company shall become indebted to the COLI Group and the CSC Group in the proportion of 80:20, which corresponds to COLI’s and CSC’s respective effective interests in the Project Company. COLI, CSC, the JV Company and the Project Company shall further agree upon the interest rate applicable to such outstanding amounts as from the date of Completion.

Completion

Completion of the Subscription shall take place on or before 8 April 2016 (or such other date as may be agreed by COLI and CSC in writing).

Following Completion, the JV Company shall be owned as to 80% and 20% by COLI (through the COLI Nominee) and CSC (through the CSC Nominee), respectively. The JV Company shall be accounted for as a subsidiary by COLI and as an associate by CSC.

Business of the JV Company and the Project Company

Unless otherwise unanimously agreed between the JV Shareholders, the sole business of the JV Company shall be the investment holding of 100% shareholding interests in the Project Company, and the principal business of the Project Company shall be property development and ownership of the Land.

Future funding

Working capital requirements of the JV Company or the Project Company in relation to the development of the Land shall be financed by the COLI Group and the CSC Group in proportion to COLI's and CSC's respective effective interest in the JV Company.

Management

Board of directors of the JV Company and the Project Company

The board of directors of the JV Company and the Project Company will consist of seven (7) directors, five (5) of whom will be appointed by COLI, and the remaining two (2) directors will be appointed by CSC.

Project Management Committee

A committee will be formed by the Project Company for overseeing, supervising and monitoring the development, construction as well as sales and marketing in relation to the Land (the "**Project Management Committee**"). The Project Management Committee will consist of eight (8) members, five (5) of whom will be appointed by COLI, and the remaining three (3) members will be appointed by CSC. The quorum of a meeting of the Project Management Committee shall be two (2) members.

The parties agreed that COLI Group will be responsible for the development plus sales and marketing of the Land, and all other matters in relation to the Land shall be considered and approved by the Project Management Committee. All related expenses incurred for development, construction as well as sales and marketing of the Land shall be subject to the approval by the Project Management Committee. Subject to the foregoing, the board of directors of the JV Company and the Project Company shall be responsible for making decisions relating to the business of the JV Company and the Project Company.

All matters to be determined by the board of directors of the JV Company and the Project Company shall be by majority decision.

Restrictions on equity transfers and encumbrances

A JV Shareholder may not transfer or pledge its equity interest in the JV Company to a third party without the prior written consent of the other JV Shareholder. In the event that a JV Shareholder proposes to transfer its equity interest in the JV Company, the other JV Shareholder shall have a right of first refusal to such equity interest.

Possible engagement of CSC Group

Consistent with COLI's existing practice, the Project Company shall select the main contractor for the development of the Land by way of open tender. The parties acknowledge that the Project Company may invite members of the CSC Group to tender for the Project Company's construction works in respect of the Land. In the event that members of the CSC Group 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, THE PROJECT COMPANY AND THE LAND

General information

The JV Company is a company incorporated in British Virgin Islands. As at the date of this joint announcement, the JV Company has eight (8) JV Shares in issue held by the COLI Nominee, which is in turn indirectly wholly-owned by COLI. The JV Company is principally engaged in the investment holding of 100% shareholding interests in the Project Company.

The Project Company is a company incorporated in Hong Kong and is wholly-owned by the JV Company. The Project Company is principally engaged in property development and owns the Land.

The Land is situated at Tai Po Town Lot No. 221, Shan Tong Road, Lai Chi Shan, Tai Po, New Territories, Hong Kong and has a site area of approximately 37,696 square metres and a gross floor area of not less than 64,260 square metres and not exceeding 107,100 square metres. The Land is planned for private residential purposes.

Based on current construction and development plans, the estimated total investment amount for the construction and development of residential premises on the Land is approximately HK\$10,000 million, of which HK\$2,130 million has already been paid as consideration for the acquisition of the Land.

Financial information of the JV Group

As at 31 December 2015, the unaudited consolidated net liability of the JV Group was approximately HK\$46,400.

The unaudited consolidated net loss of the JV Group for each of the financial years ended 31 December 2014 and 31 December 2015 are HK\$10,800 and HK\$12,800, respectively.

FINANCIAL IMPACT ON COLI

Following Completion, the JV Company shall be owned as to 80% and 20% by COLI (through the COLI Nominee) and CSC (through the CSC Nominee), respectively. The JV Company shall be accounted for as a subsidiary by COLI and as an associate by CSC.

The Subscription results in a deemed disposal by COLI of 20% equity interest in the JV Company. Since the subscription price of US\$2 is payable by CSC (or the CSC Nominee) directly to the JV Company, the COLI Group does not receive any proceeds for the disposal. The consideration payable by CSC in respect of the 20% equity interest in the JV Company is determined at cost. It is expected that the COLI Group will record an immaterial gain of HK\$9,300 from the deemed disposal at Completion, which is estimated based on 20% of the unaudited consolidated net liability of the JV Group. There is no original acquisition cost for the 20% equity interest in the JV Company as such shares are to be newly issued for the purpose of the JV Agreement.

REASONS AND BENEFITS OF THE TRANSACTION

The COLI Group is principally engaged in property development and investment and treasury operations. The CSC Group is principally engaged in building construction, civil engineering works, infrastructure investments and project consultancy businesses.

The COLI Group has extensive experience in property development, whereas the CSC Group has extensive experience in building construction. Taking into account certain degree of complexity of the construction work for developing the Land, the COLI Directors consider that the joint venture arrangement would allow the COLI Group to leverage on the substantial experience of the CSC Group in building construction and site formation. Through the joint management of the Land by the Project Management Committee, directors of both COLI and CSC believe that more effective cost and quality control in respect of the construction of the Land can be achieved, thereby bringing 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

As at the date of this joint announcement, 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, COLI is a connected person of CSC and CSC is a connected person of COLI. 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 entering into of the JV Agreement and the transactions contemplated thereunder (including the Subscription) exceed 0.1% but all are less than 5%, the entering into of the JV Agreement and the transactions contemplated thereunder (including the Subscription) are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, following Completion, COLI's interests in the JV Company will be reduced from 100% to 80%. As such, the entering into of the JV Agreement and the transactions contemplated thereunder (including the Subscription) constitutes a deemed disposal for COLI under Rule 14.29 of the Listing Rules. As all applicable percentage ratios are less than 5%, the entering into of the JV Agreement and the transactions contemplated thereunder (including the Subscription) does not constitute a notifiable transaction for COLI under Chapter 14 of the Listing Rules and is not subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

As none of the COLI Directors or the CSC Directors has a material interest in the entering into of the JV Agreement and the transactions contemplated thereunder (including the Subscription), no COLI Director or CSC Director is required to abstain from voting on the board resolution(s) approving the entering into of the JV Agreement and the transactions contemplated thereunder (including the Subscription).

DEFINITIONS

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

“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 Finance”	Chung Hoi Finance Limited, a company incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of COLI as at the date of this joint announcement;
“COLI Group”	COLI and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time;
“COLI Nominee”	Windy Summer Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of COLI;
“Completion”	completion of the Subscription in accordance with the terms of the JV Agreement;
“connected person(s)”, “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;

“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;
“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 Macau from time to time, particulars of which are described in the joint announcement of COLI and CSC dated 31 October 2014;
“CSC Nominee”	Oceanic Empire Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of CSC designated by CSC to subscribe for two (2) JV Shares pursuant to the terms of the JV Agreement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Inter-company Loan”	has the meaning given to it under the section headed “The JV Agreement — Advancement of loan to the Project Company” of this joint announcement;

“JV Agreement”	the joint venture agreement dated 24 March 2016 entered into between COLI, CSC, the JV Company and the Project Company in relation to the Subscription and the management of the JV Company and the Project Company;
“JV Company”	Trillion Vantage Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of COLI as at the date of this joint announcement;
“JV Group”	the JV Company and the Project Company at the date of this announcement;
“JV Share(s)”	share(s) in the share capital of the JV Company;
“JV Shareholder(s)”	shareholder(s) of the JV Company;
“Land”	a parcel of land situated at Tai Po Town Lot No. 221, Shan Tong Road, Lai Chi Shan, Tai Po, New Territories, Hong Kong as described in the section headed “Information about the JV Company, the Project Company and the Land” of this joint announcement;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, and for the purpose of this joint announcement, excluding Hong Kong, Macau and Taiwan;
“Project Company”	Asia Metro Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of COLI as at the date of this joint announcement;
“Project Management Committee”	has the meaning given to it under the section headed “The JV Agreement — Management — Project Management Committee” of this joint announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of two (2) JV Shares by the CSC Nominee pursuant to the terms of the JV Agreement;

“US\$” United States Dollars, the lawful currency of the United States of America; and

“%” per cent..

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

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

Hong Kong, 24 March 2016

The COLI Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint 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 joint 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 joint announcement (other than those relating to the CSC Group), the omission of which would make any statement in this joint announcement misleading.

The CSC Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint 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 joint 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 joint announcement (other than those relating to the COLI Group), the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, Messrs. Hao Jian Min (Chairman and Chief Executive Officer), Xiao Xiao (Vice Chairman), 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 joint 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.