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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)

**(I) DISCLOSEABLE AND CONNECTED TRANSACTION:
PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE
CAPITAL OF, AND**

**SHAREHOLDER'S LOAN TO, THE TARGET
AND**

**(II) CONNECTED TRANSACTION:
PROPOSED ISSUE OF NEW SHARES TO A CONNECTED PERSON**

THE PROPOSED TRANSACTIONS

The Board is pleased to announce that on 11 May 2016 (after trading hours):

- (a) the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor, the Company (as guarantor of the Purchaser) and COLI (as guarantor of the Vendor) entered into the Acquisition Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Share, representing the entire issued share capital of the Target, and the Sale Loan, at the Initial Consideration of HK\$4,810,526,473 (subject to adjustment); and
- (b) the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to the Subscriber, 431,824,639 Subscription Shares at the Subscription Price of HK\$11.14 per Subscription Share.

Completion of the Acquisition and the Subscription shall take place simultaneously.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Subscriber is a shareholder of each of the Company and COLI interested in approximately 57.59% and approximately 61.18% of the issued share capital of the Company and COLI respectively. Accordingly, both of the Subscriber (by virtue of it being the controlling shareholder of the Company) and COLI (by virtue of it being an associate of the Subscriber) are connected persons of the Company under Chapter 14A of the Listing Rules.

As regards the Acquisition, as the highest applicable ratio under Rule 14.07 of the Listing Rules is more than 5% but less than 25% and the total consideration is more than HK\$10,000,000, the Acquisition constitutes (i) a non-exempt connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As regards the Subscription, as the highest applicable ratio under Rule 14.07 of the Listing Rules is more than 5% but less than 25% and the total consideration for the Subscription is more than HK\$10,000,000, the Subscription constitutes a non-exempt connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An EGM will be convened and held by the Company to consider and, if thought fit, approve the Acquisition Agreement, the Subscription Agreement and the transactions respectively contemplated thereunder (including the grant of the Specific Mandate).

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise and provide recommendation to the Independent Shareholders on the Acquisition Agreement, the Subscription Agreement and the transactions respectively contemplated thereunder (including the grant of the Specific Mandate). Investec Capital Asia Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same respect.

A circular containing, among others, the particulars of the Acquisition Agreement and the Subscription Agreement together with a letter from the Independent Board Committee, a letter from the Independent Financial Adviser, a property valuation report, and a notice of the EGM is expected to be despatched to the Shareholders on or about 31 May 2016.

The Proposed Transactions are, respectively, subject to the fulfilment of a number of conditions precedent which are detailed in the sections headed “The Acquisition — Conditions” and “The Subscription — Conditions” respectively in this announcement. As the Proposed Transactions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 11 May 2016 (after trading hours):

- (a) the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor, the Company (as guarantor of the Purchaser) and COLI (as guarantor of the Vendor) entered into the Acquisition Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Share, representing the entire issued share capital of the Target, and the Sale Loan, at the Initial Consideration of HK\$4,810,526,473 (subject to adjustment); and
- (b) the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to the Subscriber, 431,824,639 Subscription Shares at the Subscription Price of HK\$11.14 per Subscription Share.

THE ACQUISITION

Set out below are the principal terms of the Acquisition Agreement:

Date

11 May 2016 (after trading hours)

Parties

- (i) the Purchaser (an indirect wholly-owned subsidiary of the Company), as the purchaser;

- (ii) the Vendor (an indirect wholly-owned subsidiary of COLI), as the vendor;
- (iii) the Company (as the guarantor of the Purchaser); and
- (iv) COLI (as the guarantor of the Vendor).

The Vendor is a limited liability company incorporated in the BVI and is an investment holding company. COLI, being an indirect holding company of the Vendor, is a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange.

The Company and COLI were respectively joined as a party to the Acquisition Agreement to guarantee the performance and observance by the Purchaser and by the Vendor of all of their respective obligations and undertakings under the Acquisition Agreement.

Assets to be acquired

The Sale Share, representing the entire issued share capital of the Target, and the Sale Loan, free from all encumbrances together with all rights attached thereto, including the right to receive all dividends and other distributions declared, made or paid, on or after the Acquisition Completion Date.

As at the date of this announcement, the Property is the only major asset of the Target Group.

Consideration

The Acquisition Consideration shall be an amount equal to HK\$4,810,526,473 (“**Initial Consideration**”), subject to adjustment as set out in sub-paragraph (c) of the section headed “The Acquisition - Payment of Acquisition Consideration” below. The Initial Consideration is (i) HK\$4,835,000,000, the value of the Property agreed between the Vendor and the Purchaser, each having considered the valuation by its own agent, minus (ii) HK\$24,473,527, being the amount of the Target Group Net Liabilities as set out in the unaudited consolidated management accounts of the Target Group as at 30 April 2016 (“**Estimated Target Group Net Liabilities**”).

The Acquisition Consideration was arrived at after arm’s length negotiations between the Vendor and the Purchaser and taking into account factors including mainly, the Estimated Target Group Net Liabilities, the amount of Sale Loan as at 30 April 2016 and the market valuation of the Property as appraised by the independent property valuer of the Company.

Payment of Acquisition Consideration

The Acquisition Consideration shall be paid in cash in the following manner:

- (a) within 5 Business Days following the date of the Acquisition Agreement, the Purchaser shall pay to the Vendor an amount of HK\$240,526,324 (“**Deposit**”), being 5% of the Initial Consideration;
- (b) at the Acquisition Completion, the Purchaser shall pay to the Vendor an amount of HK\$2,164,736,913, being 45% of the Initial Consideration;
- (c) within 5 Business Days after agreement or determination of the Completion Accounts:
 - (i) if the Target Group Net Liabilities determined according to the Completion Accounts is less than the Estimated Target Group Net Liabilities, the Purchaser shall pay to the Vendor the amount of such difference; or
 - (ii) if the Target Group Net Liabilities determined according to the Completion Accounts is more than the Estimated Target Group Net Liabilities, the Vendor shall pay to the Purchaser the amount of such difference; and
- (d) within 3 calendar months following the Acquisition Completion Date, the Purchaser shall pay to the Vendor an amount of HK\$2,405,263,236 (“**Deferred Payment**”), being 50% of the Initial Consideration.

The Deferred Payment is subject to the following terms:

- (i) if the Purchaser pays the Deferred Payment to the Vendor within 1 calendar month following the Acquisition Completion Date, no interest shall accrue on the Deferred Payment;
- (ii) if the Purchaser pays the Deferred Payment to the Vendor after 1 calendar month but within 3 calendar months following the Acquisition Completion Date, the Purchaser shall pay interest at the rate of 3.4% per annum on the Deferred Payment from the Acquisition Completion Date until the actual date of payment; and

(iii) if the Purchaser does not pay the Deferred Payment to the Vendor within 3 calendar months following the Acquisition Completion Date (or if any party fails to pay any sum due and payable by it under the Acquisition Agreement on the due date of payment), the defaulting party shall pay interest at the rate of 3% per annum above the prime rate of The Hongkong and Shanghai Banking Corporation Limited in Hong Kong Dollars on the outstanding sum from the due date of payment until the actual date of payment.

COLI is authorised by the Vendor to accept payment of any part of the Acquisition Consideration for and on behalf of the Vendor.

Conditions

Completion of the Acquisition is conditional on the satisfaction and/or waiver of the following conditions on or before the Long Stop Date:

- (a) the Independent Shareholders having approved the Acquisition Agreement and the transactions contemplated therein at the EGM as required by and in accordance with the Listing Rules;
- (b) the conditions precedent under the Subscription Agreement having been satisfied and/or waived (as the case may be) (save for the condition requiring the Acquisition Agreement to become unconditional); and
- (c) the warranties given by the Vendor and COLI pursuant to the Acquisition Agreement remaining true and accurate in all material respects and not misleading in any material respect before and on the date on which Acquisition Completion would otherwise have taken place if it were not for this condition.

The Purchaser may in its absolute discretion at any time waive in writing the above condition (c).

Acquisition Completion

Subject to the simultaneous completion of the Subscription Agreement, the Acquisition Completion shall take place on the Acquisition Completion Date.

Termination and refund of Deposit

If the Acquisition Agreement is terminated in accordance with its terms, all rights and obligations of the parties thereto will cease immediately upon termination, except that:

- (a) (i) if the Acquisition Agreement is terminated as a result of any conditions set out in the section headed “The Acquisition — Conditions” not having been satisfied and/or waived on or before the Long Stop Date in which case the Acquisition Agreement will terminate automatically, or (ii) if the Purchaser elects to terminate the Acquisition Agreement when the Vendor is unable or unwilling to comply with its relevant obligations under the Acquisition Agreement to proceed to Acquisition Completion, then the Deposit paid by the Purchaser shall be returned to the Purchaser within 5 Business Days from the date of such termination without any interest or cost;
- (b) if the Vendor elects to terminate the Acquisition Agreement when the Purchaser is unable or unwilling to comply with its relevant obligations under the Acquisition Agreement to proceed to Acquisition Completion, then the Deposit shall be forfeited to the Vendor as liquidated damages on the date of termination; and
- (c) termination of the Acquisition Agreement shall not affect or prejudice the then accrued rights and obligations of the parties to the Acquisition Agreement (including the right to damages for the breach, if any, giving rise to the termination and any other pre-termination breach by any party to the Acquisition Agreement).

THE SUBSCRIPTION

Set out below are the principal terms of the Subscription Agreement:

Date

11 May 2016 (after trading hours)

Parties

- (i) the Company; and
- (ii) the Subscriber.

The Subscriber is a company incorporated in Hong Kong with limited liability, which is interested, directly and indirectly, in approximately 57.59% of the issued share capital of the Company as at the date of this announcement.

Subscription Shares

Pursuant to the Subscription Agreement, the Company conditionally agreed to allot and issue to the Subscriber, and the Subscriber conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price free from all encumbrances and together with all rights and benefits attached to such Subscription Shares as at the Subscription Completion Date, subject to the terms and conditions of the Subscription Agreement.

The 431,824,639 Subscription Shares (of an aggregate nominal value of approximately HK\$10,795,616) to be allotted and issued under the Subscription represent (i) approximately 10.65% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.62% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price

The consideration for the Subscription is HK\$4,810,526,478.46 (representing HK\$11.14 per Subscription Share), which will be settled by cash by the Subscriber at the Subscription Completion. The Subscription Price represents a discount of approximately 2.11% to the closing price of HK\$11.38 per Share as quoted on the Stock Exchange as at 11 May 2016, being the date of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to, among other matters, the prevailing market prices of the Shares. The Directors (other than the independent non-executive Directors who will express their views after considering the advice from the Independent Financial Adviser) consider that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions

The Subscription Completion is conditional upon:

- (a) the Independent Shareholders having approved the Subscription Agreement and the transactions contemplated thereunder or in connection therewith, including the issue and allotment of the Subscription Shares, at the EGM (or any adjournment thereof) as required by and in accordance with the Listing Rules;
- (b) the approval for the listing of, and permission to deal in, all the Subscription Shares on the Main Board of the Stock Exchange having been granted by the Listing Committee of the Stock Exchange;
- (c) the conditions precedent under the Acquisition Agreement having been satisfied or waived (as the case may be) (save for the condition requiring the Subscription Agreement to become unconditional);
- (d) any consents, approvals and compliance with such other conditions as may be required under the Listing Rules and/or by the Stock Exchange having been obtained;
- (e) the continued listing and trading of the Shares on the Stock Exchange, save for any temporary suspension of not exceeding 10 consecutive trading days (or such longer period as the Subscriber may reasonably accept in writing); and no notice having been received from the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange will be withdrawn as a result of the Subscription Completion;
- (f) if so required, the consents, licences, authorisations, waivers, orders, grants, confirmations, permissions, exemptions, registrations, filings and other approvals necessary in connection with the implementation of the Subscription Agreement having been obtained from appropriate governments, courts, other regulatory bodies, banks, financial institutions or other third parties and not having been revoked prior to the Subscription Completion;
- (g) the representations, warranties and undertakings given by the Company pursuant to the Subscription Agreement remaining true and accurate in all material respects and not misleading in any material respect on the date of the Subscription Agreement and at the Subscription Completion as if repeated at the Subscription Completion; and

(h) the representations, warranties and undertakings given by the Subscriber pursuant to the Subscription Agreement remaining true and accurate in all material respects and not misleading in any material respect on the date of the Subscription Agreement and at the Subscription Completion as if repeated at the Subscription Completion.

The Subscriber may in its absolute discretion at any time waive in writing any of the above conditions (e) and (g) (or any part thereof). The Company may in its absolute discretion at any time waive in writing the above condition (h) (or any part thereof). If the above conditions are not fulfilled in all respects or waived by the Subscriber or the Company on or before the Long Stop Date, the Subscription Agreement shall terminate immediately and be of no further effect and no party shall have any claim against the other, except in respect of any antecedent breach of the terms thereof.

Subscription Completion

Subject to the simultaneous completion of the Acquisition Agreement, the Subscription Completion shall take place on the Subscription Completion Date.

Ranking of the Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the Subscription Completion Date.

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Specific Mandate

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

The Company has not carried out any fund raising activities during the 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon Subscription Completion is set out as below:

Shareholders	As at the date of this announcement		Immediately after Subscription Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate %
The Subscriber and its associate	2,336,091,659 ^(Note1)	57.59	2,767,916,298	61.67
Directors	13,541,496	0.33	13,541,496	0.30
Public Shareholders	<u>1,706,681,467</u>	<u>42.08</u>	<u>1,706,681,467</u>	<u>38.03</u>
	<u>4,056,314,622</u>	<u>100.00</u>	<u>4,488,139,261</u>	<u>100.00</u>

Notes:

- (1) Amongst such number of shares, 2,239,953,308 Shares were held as beneficial owner by the Subscriber and 96,138,351 Shares were held by a wholly-owned subsidiary of the Subscriber as at the date of this announcement.
- (2) Figures are calculated on the assumption that there is no change in the issued share capital of the Company from the date of this announcement to the date of the Subscription Completion.

INFORMATION OF THE TARGET GROUP AND THE PROPERTY

The Target is a company incorporated in the BVI with limited liability and its principal business activity is investment holding. As at the date of this announcement, the Target, through Advocate Properties, indirectly owns the entire issued share capital of On Success, which in turn owns the Property.

The Property is situated in the Wanchai district in Hong Kong. The Property comprises the entire building known as China Overseas Building with a total gross floor area of approximately 217,754 sq. ft. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Target does not have any business other than the holding of the entire issued share capital of Advocate Properties (which is in turn the immediate holding company of On Success), which, apart from holding the Property through On Success, does not have any other business.

The market value of the Property as at 30 April 2016 appraised by the Company's independent property valuer is HK\$5,020 million.

The unaudited consolidated net assets of the Target Group as at 30 April 2016 was approximately HK\$2,370 million.

The net profits (before and after taxation) of the Target for the two financial years immediately preceding the Acquisition are unavailable as the Target was incorporated on 16 November 2015. Set out below is a summary of certain unaudited consolidated financial information of Advocate Properties for the two years ended 31 December 2015:

	For the years ended	
	31 December	
	2014	2015
	<i>HK\$' million</i>	<i>HK\$' million</i>
Net profit before taxation and extraordinary items	83	440
Net profit after taxation and extraordinary items	75	436

The original acquisition cost of Advocate Properties (which, through On Success, holds the land at which the Property is located) to the COLI Group in 1989 was approximately HK\$115 million.

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTIONS AND USE OF PROCEEDS

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

Located in one of the prime commercial districts in Hong Kong, China Overseas Building is a Grade A office building where the registered office and principal place of business of the Group in Hong Kong are currently located. The Acquisition will enable the Company to strengthen its brand name and corporate image and to enhance the development of the business of the Group.

The Directors believe that the Group is able to benefit from the stable investment income and the further value appreciation of the Property.

As a result of the Subscription and the enlargement of share capital, the net gearing ratio of the Group will be reduced. This will provide more financial capacity to the Group for the development of its infrastructure investment business in the PRC. Moreover, the Subscription reflects the Subscriber's strong support of and confidence in the future business development of the Group.

Upon completion of the Subscription, the aggregate gross proceeds from the Subscription will be HK\$4,810,526,478.46 and the aggregate net proceeds from the Subscription (after deducting related expenses in connection with the Subscription which will be borne by the Company) are estimated to be approximately HK\$4,809,926,478, representing a net issue price of approximately HK\$11.139 per Subscription Share. The entire amount of the net proceeds from the Subscription is intended to be used by the Group for general corporate purposes (including financing the Acquisition and its infrastructure projects in the PRC).

The Directors (excluding the independent non-executive Directors whose opinions will be rendered after having obtained the advice from the Independent Financial Adviser) are of the view that the terms of the Acquisition Agreement and the Subscription Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Subscriber is shareholder of each of the Company and COLI interested in approximately 57.59% and approximately 61.18% of the issued share capital of the Company and COLI respectively. Accordingly, both of the Subscriber (by virtue of it being the controlling shareholder of the Company) and COLI (by virtue of it being an associate of the Subscriber) are connected persons of the Company under Chapter 14A of the Listing Rules.

As regards the Acquisition, as the highest applicable ratio under Rule 14.07 of the Listing Rules is more than 5% but less than 25% and the total consideration is more than HK\$10,000,000, the Acquisition constitutes (i) a non-exempt connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As regards the Subscription, as the highest applicable ratio under Rule 14.07 of the Listing Rules is more than 5% but less than 25% and the total consideration for the Subscription is more than HK\$10,000,000, the Subscription constitutes a non-exempt connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An EGM will be convened and held by the Company to consider and, if thought fit, approve the Acquisition Agreement, the Subscription Agreement and the transactions respectively contemplated thereunder (including the grant of the Specific Mandate). The voting at the EGM will be taken by poll.

In view of the Subscriber's material interest in the Proposed Transactions, the Subscriber, being the controlling shareholder of the Company, and its associate(s) will abstain from voting on the relevant resolutions at the EGM.

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise and provide recommendation to the Independent Shareholders on the Acquisition Agreement, the Subscription Agreement and the transactions respectively contemplated thereunder (including the grant of the Specific Mandate). Investec Capital Asia Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same respect.

A circular containing, among others, the particulars of the Acquisition Agreement and the Subscription Agreement together with a letter from the Independent Board Committee, a letter from the Independent Financial Adviser, a property valuation report, and a notice of the EGM is expected to be despatched to the Shareholders on or about 31 May 2016

The Proposed Transactions are, respectively, subject to the fulfilment of a number of conditions precedent which are detailed in the sections headed "The Acquisition — Conditions" and "The Subscription — Conditions" respectively in this announcement. As the Proposed Transactions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Share and the Sale Loan by the Purchaser pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 11 May 2016 entered into between the Purchaser, the Vendor, the Company (as Purchaser’s guarantor), COLI (as Vendor’s guarantor) in relation to the Acquisition
“Acquisition Completion”	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement
“Acquisition Completion Date”	the 5th Business Day immediately following the day on which all the conditions as set out in the section headed “The Acquisition — Conditions” have been satisfied and/or waived or such other date as the Vendor and the Purchaser may agree in writing on which the Acquisition Completion takes place
“Acquisition Consideration”	the aggregate consideration payable by the Purchaser for the Sale Share and the Sale Loan under the Acquisition Agreement (as adjusted in accordance with the terms and conditions of the Acquisition Agreement)
“Advocate Properties”	Advocate Properties Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Target
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (or days) (other than Saturday or Sunday) on which banks in Hong Kong are open to conduct business generally
“BVI”	British Virgin Islands

“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), being the Vendor’s guarantor under the Acquisition Agreement
“COLI Group”	COLI and its subsidiaries (including the Target Group) from time to time
“Company”	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)
“Completion Accounts”	the unaudited consolidated accounts of the Target Group as at the Acquisition Completion Date prepared and as agreed or determined by the Purchaser and the Vendor in accordance with the terms of the Acquisition Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Deferred Payment”	has the meaning ascribed to it under the section headed “The Acquisition — Payment of Acquisition Consideration”
“Deposit”	has the meaning ascribed to it under the section headed “The Acquisition — Payment of Acquisition Consideration”
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve, the Acquisition Agreement, the Subscription Agreement and the transactions respectively contemplated thereunder (including the grant of the Specific Mandate)
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	the independent board committee of the Company established by all the independent non-executive Directors to advise the Independent Shareholders on the terms of the Acquisition Agreement, the Subscription Agreement and the transactions respectively contemplated thereunder
“Independent Financial Adviser”	Investec Capital Asia Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition Agreement, the Subscription Agreement and the transactions respectively contemplated thereunder (including the grant of the Specific Mandate)
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM to approve the Acquisition Agreement, the Subscription Agreement and the transactions respectively contemplated thereunder (including the grant of the Specific Mandate)
“Initial Consideration”	has the meaning ascribed to it under the section headed “The Acquisition — Consideration”
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	23 June 2016 or such later date as may be respectively agreed between the relevant parties to the Acquisition Agreement and the Subscription Agreement
“On Success”	On Success Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Target

“PRC”	People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Property”	2,519 equal undivided 2,557 th parts or shares of and in all that piece or parcel of ground registered in the Land Registry as Inland Lot No. 8780 and of and in the building and other structures erected on the land now known as China Overseas Building at No. 139 Hennessy Road and No. 138 Lockhart Road, Hong Kong together with the sole and exclusive right and privilege to hold use occupy and enjoy the whole of the building (including (i) the non-industrial development (excluding the common areas) and reserved shares and (ii) the common areas, but excluding the station entrance) (the non-industrial development, the common areas, the station entrance and the reserved shares are all respectively defined in the deed of mutual covenant and management agreement registered in the Land Registry by Memorial No.UB8360908)
“Proposed Transactions”	collectively, the Acquisition and the Subscription
“Purchaser”	Total Joy Global Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale Loan”	such amount equals to the face value of the entire sum of shareholder’s loan owing by the Target to the Vendor as at the date of the Acquisition Completion.
“Sale Share”	1 ordinary share of US\$1.00 each in the issued share capital of the Target, representing the entire issued share capital of the Target
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Specific Mandate”	the specific mandate proposed to be sought from the Independent Shareholders at the EGM for the allotment and issue of an aggregate of 431,824,639 Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, which is interested, directly and indirectly, in approximately 57.59% and 61.18% of the issued share capital of the Company and COLI respectively, being the subscriber under the Subscription Agreement
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 11 May 2016 and entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Subscription Completion Date”	the 5th Business Day immediately following the day on which all the conditions as set out in the section headed “The Subscription — Conditions” have been satisfied or waived or such other date as the Company and the Subscriber may agree in writing and the Subscription Completion is to occur
“Subscription Price”	HK\$11.14 per Subscription Share
“Subscription Shares”	an aggregate of 431,824,639 new Shares to be subscribed by the Subscriber pursuant to the terms and conditions of the Subscription Agreement and each a “Subscription Share”
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target”	Precious Deluxe Global Limited, a company incorporated in the BVI with limited liability
“Target Group”	collectively, the Target and the Target Subsidiaries

“Target Group Net Liabilities”	the adjusted net liabilities of the Target Group, being the consolidated total assets of the Target Group (other than the value of the Property) less the consolidated total liabilities of the Target Group (other than the Sale Loan and deferred taxation) as shown in the unaudited consolidated management accounts of the Target Group as at 30 April 2016 or (as the case may be) as at the Acquisition Completion Date to be contained in the Completion Accounts
“Target Subsidiaries”	collectively, Advocate Properties and On Success
“Vendor”	Great Rises Holdings Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of COLI
“%”	per cent.

By Order of the Board
**CHINA STATE CONSTRUCTION
INTERNATIONAL HOLDINGS LIMITED**
Zhou Yong
Chairman and Chief Executive Officer

Hong Kong, 11 May 2016

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