

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CONNECTED TRANSACTION FORMATION OF A JOINT VENTURE COMPANY

FORMATION OF JOINT VENTURE COMPANY

On 6 December 2018, Haize and SCOC entered into the JV Agreement, pursuant to which the parties agreed to establish the JV Company to develop residential and commercial properties at the Land in Fuzhou. The JV Company will be owned by Haize as to 50% and SCOC as to 50%.

LISTING RULES IMPLICATIONS

COHL is the controlling shareholder of both COLI and CSC. Each of COLI and CSC is hence a connected person of each other under Chapter 14A of the Listing Rules. Accordingly, the JV Transactions constitute connected transactions for each of COLI and CSC.

As the applicable percentage ratios calculated for both COLI and CSC in respect of the JV Transactions are more than 0.1% but less than 5%, the JV Transactions are only subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules for both COLI and CSC.

The COLI Directors (including the independent non-executive COLI Directors) are of the view that as far as the shareholders of COLI are concerned, the JV Transactions are in the ordinary and usual course of COLI's business, on normal commercial terms, 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) are of the view that as far as the shareholders of CSC are concerned, the JV Transactions are in the ordinary and usual course of CSC's business, on normal commercial terms, fair and reasonable and in the interests of CSC and its shareholders as a whole.

1. BACKGROUND

Haize and SCOC as joint bidders have recently succeeded in a public bidding for a Land from 福州市國土資源局(Fuzhou Municipal Bureau of Land Resources*) at the consideration of RMB1,087,000,000 (approximately HK\$1,228,310,000) (the "**Land Consideration**").

The Land is approximately 35,195 sq.m. situated in the Pu Xia Renovation Project, Jin An District, Fuzhou, Fujian Province of the PRC, and will be developed into residential and commercial properties.

2. FORMATION OF JOINT VENTURE COMPANY

On 6 December 2018, Haize and SCOC entered into the JV Agreement, pursuant to which the parties agreed to establish the JV Company to develop residential and commercial properties at the Land in Fuzhou. The JV Company will be owned by Haize as to 50% and SCOC as to 50% and accounted for as a subsidiary by COLI and as an associate by CSC.

(1) The JV Agreement

Date : 6 December 2018

Parties : (i) Haize
(ii) SCOC

(2) Structure of the Joint Venture

Pursuant to the JV Agreement, the parties shall establish the JV Company with a registered capital of RMB500,000,000 (approximately HK\$565,000,000), of which 50% shall be contributed by Haize and 50% shall be contributed by SCOC. All contribution shall be made in cash at the prescribed time period under the PRC laws and regulations. Upon its establishment, the JV Company will enter into the Land Use Rights Grant Contract with the relevant PRC authorities to acquire the ownership of the Land.

(3) The principal terms of the JV Agreement are set out below:

Principal business of the JV Company : The business of the JV Company is to own and develop the Land.

Total investment amount : The estimated total investment amount for developing and constructing properties at the Land (including the registered capital of the JV Company) is RMB1,690,310,000 (equivalent to approximately HK\$1,910,050,300), which was determined after arm’s length negotiations between the parties with reference to the Land Consideration. The respective portion of the total investment amount will be contributed by each of Haize and SCOC in proportion to their respective shareholding in the JV Company under the JV Agreement and is expected to be funded through COLI’s and CSC’s respective internal resources.

Board composition of the JV Company : The board of directors of the JV Company shall comprise five members, of which three shall be appointed by Haize and two by SCOC. The term of services for all directors shall be three years. The chairman of the board shall be appointed by Haize. Resolutions of the board of directors of the JV Company shall be passed by more than one half of all directors.

The JV Company shall have two supervisors and each of Haize and SCOC can nominate one supervisor. The supervisors shall be appointed at the meeting of the shareholders of the JV Company with the term of services of three years.

The general manager of the JV Company shall be nominated by Haize.

Profit distribution of the JV Company : The distributable profit of the JV Company shall be distributed to Haize and SCOC by way of dividends in proportion to their respective shareholding in the JV Company.

Management and operation of the JV Company : Haize shall be mainly responsible for property development, while SCOC shall act as the main contractor for the construction work in relation to the property development at the Land, and the prefabricated construction work at the residential properties at the Land.

3. REASONS FOR AND BENEFITS OF THE ENTERING INTO THE JV TRANSACTIONS

The JV Company will be principally engaged in carrying out development project at the Land.

COLI Group is an experienced property developer in the PRC. The COLI Directors (including the independent non-executive COLI Directors) believe that the cooperation under the JV Agreement will bring synergy effect between COLI Group and CSC Group which would in turn be beneficial to the development of the Land.

CSC Group has extensive experience in building construction and infrastructure investment. The entering into of the JV Agreement provides CSC Group an opportunity to participate in the investment and the construction works in respect of the Land. The CSC Directors (including the independent non-executive CSC Directors) believe that the co-investment will further enhance the CSC Group's revenue stream and broaden return to its shareholders as a whole.

4. INFORMATION ON COLI, HAIZE, CSC AND SCOC

(1) Information on COLI

COLI is a company incorporated in Hong Kong with limited liability and the shares of COLI are listed on the Main Board of the Stock Exchange. As at the date of this announcement, COLI Group is principally engaged in the business of property development and investment and other operations.

(2) Information on Haize

Haize is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of COLI. The principal activity of Haize is engineering consulting.

(3) Information on CSC

CSC is a company incorporated in the Cayman Islands with limited liability and the shares of CSC are listed on the Main Board of the Stock Exchange. As at the date of this announcement, CSC is principally engaged in building construction, civil engineering works, infrastructure investment and project consultancy business.

(4) Information on SCOC

SCOC is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of CSC. The principal activities of SCOC are construction contracting and investment businesses.

5. LISTING RULES IMPLICATIONS

COHL is the controlling shareholder of both COLI and CSC. Each of COLI and CSC is hence a connected person of each other under Chapter 14A of the Listing Rules. Accordingly, the JV Transactions constitute connected transactions for each of COLI and CSC.

As the applicable percentage ratios calculated for both COLI and CSC in respect of the JV Transactions are more than 0.1% but less than 5%, the JV Transactions are only subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules for both COLI and CSC.

The COLI Directors (including the independent non-executive COLI Directors) are of the view that as far as the shareholders of COLI are concerned, the JV Transactions are in the ordinary and usual course of COLI's business, on normal commercial terms, 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) are of the view that as far as the shareholders of CSC are concerned, the JV Transactions are in the ordinary and usual course of CSC's business, on normal commercial terms, fair and reasonable and in the interests of CSC and its shareholders as a whole.

None of the COLI Directors has a material interest in the JV Transactions. Mr. Yan Jianguo, one of the COLI Directors, who is also the Vice Chairman and President of COHL, has voluntarily abstained from voting on the COLI Board resolution(s) approving the JV Transactions. As none of the CSC Directors has a material interest in the JV Transactions, no CSC Director is required to abstain from voting on the board resolution(s) approving the JV Transactions.

6. DEFINITIONS

Unless otherwise stated, the following words and phrases have the following meanings in this announcement:

“associate”, “connected person(s)”, “controlling shareholder”, “percentage ratios”, “subsidiary(ies)”	each has the meaning ascribed to it in the Listing Rules;
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, the controlling shareholder of both COLI and CSC;
“COLI”	China Overseas Land & Investment Ltd., 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 Board”	the board of directors of COLI;
“COLI Director(s)”	director(s) of COLI;
“COLI Group”	COLI and its subsidiaries from time to time;
“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)”	director(s) of CSC;
“CSC Group”	CSC and its subsidiaries (excluding subsidiary(ies) listed on any stock exchange) from time to time;
“Haize”	深圳市海澤工程管理有限公司 (Shenzhen Haize Engineering Management Limited*), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of COLI;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“JV Agreement”	the cooperation agreement dated 6 December 2018 entered into between Haize and SCOC in relation to the formation of the JV Company;

“JV Company”	the joint venture company with limited liability to be established in the PRC and owned by Haize as to 50% and SCOC as to 50%;
“JV Transactions”	the entering into of the JV Agreement and the transactions contemplated thereunder;
“Land”	a piece of land (lot no.2018-45) situated in Pu Xia Renovation Project, Jin An District, Fuzhou, Fujian Province of the PRC and of approximately 35,195 sq.m.;
“Land Use Rights Grant Contract”	Land Use Rights Grant Contract (國有建設用地使用權出讓合同) to be entered into between 福州市國土資源局(Fuzhou Municipal Bureau of Land Resources*) and the JV Company pursuant to the bidding confirmation;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macao”	The Macao Special Administrative Region of the PRC;
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macao and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“SCOC”	深圳中海建築有限公司(Shenzhen China Overseas Construction Company Limited*), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of CSC;
“sq.m.”	square metre(s);
“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 RMB to HK\$ is based on the exchange rate of RMB1.00 = HK\$1.13. 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**
Yan Jianguo
Chairman and Chief Executive Officer

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

Hong Kong, 6 December 2018

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, Mr. Yan Jianguo (Chairman and Chief Executive Officer), Mr. Luo Liang and Mr. Guo Guanghui are the executive directors of COLI; Mr. Chang Ying is the non-executive director of COLI; and Mr. Lam Kwong Siu, Dr. Fan Hsu Lai Tai, Rita and Mr. Li Man Bun, Brian David are the independent non-executive directors of COLI.

As at the date of this announcement, Mr. Zhou Yong (Chairman), Mr. Zhang Haipeng (Chief Executive Officer), Mr. Tian Shuchen, Mr. Zhou Hancheng and Mr. Hung Cheung Shew 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.