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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)**

## **PROPOSED BONUS ISSUE OF WARRANTS**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board proposes that the Bonus Issue be made in the proportion of 1 Warrant for every 7 Shares held by Shareholders whose names appear on the register of members of the Company on the Record Date. The Warrants will be traded in board lots of 2,000 units entitling the holders thereof to subscribe for 2,000 Shares based on an initial subscription price of HK\$15.00 per Share (subject to adjustment).

Application will be made to the Listing Committee of the Stock Exchange for listings of and permission to deal in the Warrants and the Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules. The Board proposes that the Bonus Issue be made to the Shareholders.

### **BONUS ISSUE**

The Bonus Issue will be made in the proportion of 1 Warrant for every 7 Shares held by Shareholders whose names appear on the register of members of the Company on the Record Date. On the basis of 608,391,642 Shares in issue as at the date hereof, and assuming no further Shares will be issued or repurchased by the Company on or before the Record Date, a maximum of up to 86,913,091 Warrants may be issued pursuant to the Bonus Issue.

## **SUBSCRIPTION PRICE**

The Warrants will entitle holders thereof to subscribe for Shares at an initial subscription price of HK\$15.00 per Share (subject to adjustment) for a term of one year from the date on which dealings in the Warrants commence (which is expected to be 28 February 2008). The Warrants will be traded in board lots of 2,000 units entitling the holders thereof to subscribe for 2,000 Shares based on an initial subscription price of HK\$15.00 per Share (subject to adjustment).

The Warrants will be issued in registered form. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company.

The initial subscription price of HK\$15.00 represents (a) a premium of approximately 15.6% over the closing price of HK\$12.98 per Share as quoted on the Stock Exchange on 8 January 2008 (being the date of this announcement), (b) a premium of approximately 20.2% over the average closing price of HK\$12.48 per Share on the Stock Exchange for the five (5) trading days ended 8 January 2008, and (c) a premium of approximately 21.5% over the average closing price of HK\$12.35 per Share on the Stock Exchange for the ten (10) trading days ended 8 January 2008.

The initial subscription price will be subject to customary anti-dilutive adjustments in market transactions of this type in certain events, including share consolidations, share subdivisions, capital distributions, rights issues and further issues of shares or convertible securities with conversion price less than the then market price.

## **SHARES TO BE ISSUED UNDER THE WARRANTS**

The authorised share capital of the Company as at the date hereof is HK\$1,500,000,000 divided into 15,000,000,000 Shares. The Bonus Issue would be made pursuant to the general mandate to issue securities granted to the Directors at the annual general meeting of the Company held on 5 June 2007. Under the said general mandate and on the basis of 499,604,002 issued Shares as at 5 June 2007, the Directors were authorised generally to issue up to 99,920,800 Shares and none of which has been issued as at the date of this announcement and 99,920,800 Shares can be issued under the said general mandate.

On the basis of 608,391,642 Shares in issue as at the date hereof, and, assuming that the initial subscription price of HK\$15.00 is not adjusted, an issue of up to 86,913,091 new Shares, representing approximately 14.29% of the existing issued share capital of the Company and approximately 12.50% of the issued share capital of the Company as enlarged by the issue of such Shares would be issued upon exercise of all subscription rights attaching to the Warrants. New Shares issued on the exercise of subscription rights under the Warrants will rank *pari passu* in all respects

with the then existing Shares on the relevant subscription date. The term of the Warrants is one year from the first dealing date of the Warrants (which is currently expected to be 28 February 2008) and on this basis, the term of the Warrants is expected to expire on 27 February 2009.

## CONDITIONS

The Bonus Issue is conditional upon the Listing Committee of the Stock Exchange granting listings of, and permission to deal in, the Warrants and any new Shares which may fall to be issued upon exercise of the subscription rights attaching to the Warrants.

Application will be made to the Listing Committee of the Stock Exchange for listings of and permission to deal in the Warrants and the Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants. No part of the equity or debt securities of the Company is listed on or dealt in on any other stock exchange and no such listing of or permission to deal in is being or is proposed to be sought. Save for options granted under the Company's share option scheme adopted in 2005, there are no other outstanding warrants, convertible securities or similar right to subscribe for share of the Company.

## SHAREHOLDING STRUCTURE

The shareholdings of the Company are set out below for illustrative purposes:

*Assuming no options granted under the Company's share option scheme were exercised prior to the Record Date:*

<b>Shareholders</b>	<b>As at the Record Date</b>	<b>Assuming all the Warrants were exercised in full upon issuance</b>
China Overseas Holdings Limited	377,198,612 (61.99%)	431,084,128 (61.99%)
Directors and other connected persons	2,450,266 (0.41%)	2,800,304 (0.41%)
Public	228,742,764 (37.60%)	261,420,301 (37.60%)
Total	608,391,642 (100%)	695,304,733 (100%)

*Assuming all the options granted under the Company's share option scheme were exercised prior to the Record Date:*

<b>Shareholders</b>	<b>As at the Record Date</b>	<b>Assuming all the Warrants were exercised in full upon issuance</b>
China Overseas Holdings Limited	377,198,612 (58.77%)	431,084,128 (58.77%)
Directors and other connected persons	6,445,066 (1.00%)	7,365,789 (1.00%)
Public	258,196,884 (40.23%)	295,082,153 (40.23%)
Total	641,840,562 (100%)	733,532,070 (100%)

*Note: The above numbers are presented based on the assumptions stated in relation thereto and are for illustrative purpose only. The numbers may also vary due to fractional entitlements which will be ascertainable at the Record Date.*

## **USE OF PROCEEDS**

Full exercise of the 86,913,091 Warrants would result in the receipt by the Company of HK\$1,303,696,365 before expenses. The Company intends to apply the proceeds of the Bonus Issue for general working capital and to reduce the indebtedness of the Company as and when the Board considers appropriate. The Company has no specific plan as to the portion of the proceeds to be used for each of the above purposes or the particular indebtedness to be repaid, and will make further announcement if and when it has specific plan for the application of such proceeds.

Save for the amount of approximately HK\$989 million (after expenses) received from the issue by the Company of the Shares under the open offer as set out in its announcement dated 23 July 2007, the Company has no fund raising activity in the past twelve months. As at the date of this announcement, the proceeds from such open offer were fully utilised by the Company, of which approximately HK\$510 million were used for the acquisition of assets from COHL (as detailed in the circular of the Company dated 14 August 2007), and approximately HK\$479 million were used for the acquisition of China Overseas Public Utility Investment Limited and the subscription of shares in a company holding certain property development in Chongqing and Zhuhai (as detailed in the circular of the Company dated 30 November 2007).

## **REASONS FOR THE BONUS ISSUE**

The Directors believe that it would be in the interest of the Company and the Shareholders to raise long-term equity funding through the Bonus Issue to strengthen the Company's financial position and net assets base for its future expansion of its business, whilst allowing the Shareholders an opportunity to increase their investment in the Company and participate in the Company's prospects.

## **OVERSEAS SHAREHOLDERS**

The Company shall make enquiry as to the legal and regulatory restrictions in extending the Bonus Issue to the Overseas Shareholders. If after such enquiry, the Board is of the view that the exclusion of Overseas Shareholders is necessary or expedient, the Warrants will not be granted to the Overseas Shareholders. As at 7 January 2008, being the latest practicable date for ascertaining Shareholders' information for the purpose of inclusion in this announcement, there were 6 Shareholders (out of a total of about 3,041 Shareholders) holding an aggregate of 157,799 Shares, representing less than 0.03% of the existing issued share capital of the Company, whose addresses are outside Hong Kong as shown on the register of members of the Company.

Arrangements will be made for the Warrants which would otherwise have been issued to such Overseas Shareholders to be sold in the market as soon as practicable, if a premium, net of expenses, can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in HK\$ to the Overseas Shareholders, if any, pro rata to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100.00, in which case it will be retained for the benefit of the Company. Details in respect of any exclusion of the Overseas Shareholders and the treatment for the excluded Overseas Shareholders (if any) will be set out in the circular to be sent to the Shareholders.

## **CERTIFICATES FOR THE WARRANTS AND BOARD LOT**

All necessary arrangements will be made by the Company to enable the Warrants to be admitted into CCASS. Subject to the satisfaction of the condition mentioned above and the compliance with the stock admission requirements of Hongkong Clearing, the Warrants and the new Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants will be accepted as eligible securities by Hongkong Clearing for deposit, clearance and settlement in CCASS with effect from the date when dealings in the Warrants on the Stock Exchange commence (which is

expected to be on or about 28 February 2008) or such other date(s) as determined by Hongkong Clearing. It is expected that warrant certificates issued pursuant to the Bonus Issue will be posted at the risks of the Shareholders entitled thereto around 26 February 2008.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 13 February 2008 (Wednesday) to 15 February 2008 (Friday), both days inclusive, for the purposes of determining entitlements to the Bonus Issue. In order to qualify for the Bonus Issue, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrar, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, not later than 4:00 p.m. on 12 February 2008 (Tuesday).

### **EXPECTED TIMETABLE**

The expected timetable for the Bonus Issue is as follows:

	<i>2008</i>
Circular relating to the Bonus Issue .....	Tuesday, 29 January
Last day of dealings in Shares cum entitlements to the Bonus Issue.....	Wednesday, 6 February
First day of dealings in Shares ex-entitlements to the Bonus Issue .....	Monday, 11 February
Latest time for lodging transfers for entitlements to the Bonus Issue .....	4:00 p.m. on Tuesday, 12 February
Register closes - From .....	Wednesday, 13 February
To .....	Friday, 15 February
Record Date .....	Friday, 15 February
Despatch of the Warrants certificates .....	Tuesday, 26 February
Dealing in the Warrants commence .....	Thursday, 28 February

## **GENERAL**

A circular containing further details regarding the Bonus Issue will be despatched to Shareholders as soon as practicable.

## **DEFINITIONS**

“Board”	board of directors of the Company
“Bonus Issue”	the proposed bonus issue of Warrants described in this announcement
“CCASS”	the Central Clearing and Settlement System
“COHL”	China Overseas Holdings Limited, the controlling shareholder of the Company
“Company”	China State Construction International Holdings Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hongkong Clearing”	Hong Kong Securities Clearing Company Limited
“Overseas Shareholders”	those Shareholders whose addresses as shown on the register of members of the Company on the Record Date are outside Hong Kong
“Record Date”	15 February 2008, being the date for determination of entitlements to the Bonus Issue
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Warrants”

warrants to be issued by the Company in respect of the Bonus Issue described in the section headed “Bonus Issue” and “Subscription Price” in this announcement

By order of the Board

**China State Construction International Holdings Limited**

**Kong Qingping**

*Chairman and Non-executive Director*

Hong Kong, 8 January 2008

*As at the date of this announcement, the board of Directors comprises Mr. Kong Qingping (Chairman and Non-executive Director); Mr. Zhou Yong (Vice-chairman and Chief Executive Officer), Mr. Yip Chung Nam, Mr. Fu He, Mr. Zhou Hancheng and Mr. Cheong Chit Sun as Executive Directors; and Dr. Raymond Ho Chung Tai, Mr. Adrian David Li Man Kiu, Mr. Raymond Leung Hai Ming and Mr. Lee Shing See as Independent Non-executive Directors.*