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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)

CONNECTED AND DISCLOSEABLE TRANSACTION

ACQUISITION OF FULLER SKY ENTERPRISES LIMITED

On 6 October 2008, Ever Power, an indirect wholly-owned subsidiary of the Company, has entered into the Agreement with Massive Information, an indirect wholly-owned subsidiary of COHL, whereby Ever Power shall acquire the entire interest in Fuller Sky, being 100% of the issued share capital of Fuller Sky and the Loan in the amount of HK\$191,226,376 for a cash consideration of HK\$235 million.

COHL is interested in approximately 62.2% of the issued share capital of the Company and Massive Information is an indirect wholly-owned subsidiary of COHL. Accordingly, COHL and Massive Information are connected persons of the Company. As the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rule calculated with reference to the Agreement exceed 2.5% but are less than 25%, the Acquisition constitutes a connected and discloseable transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements. Voting at the EGM will be conducted by poll and in view of the interest of COHL and its associates in the Acquisition, COHL and its associates will abstain from voting at the EGM.

An independent board committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Acquisition. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this connection.

A circular containing, among other things, further particulars of the Acquisition together with, the recommendations of the independent board committee of the Company, a letter of advice from the independent financial adviser to advise the independent board committee and the Independent Shareholders, and a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

THE AGREEMENT

Date:

6 October 2008

Parties:

- (1) Massive Information, an indirect wholly-owned subsidiary of COHL, as the vendor; and
- (2) Ever Power, an indirect wholly-owned subsidiary of the Company, as the purchaser.

Subject:

Fuller Sky, through its subsidiary, is principally engaged in the operation of the Nan Chang Zhong Hai Xin Ba Yi Bridge (南昌中海新八一大橋) located at Nan Chang city in Jiangxi province of the PRC.

The Nan Chang Zhong Hai Xin Ba Yi Bridge is approximately 6.6 km in length. Fuller Sky has approximately 55.2% interest in a PRC joint venture which owns the management and toll-collection rights for the Nan Chang Zhong Hai Xin Ba Yi Bridge up to 30 June 2025 (“the PRC Joint Venture”). The remaining 44.8% interest in the PRC Joint Venture is owned by 南昌市南昌大橋有限責任公司 (Nan Chang City Nan Chang Bridge Company Limited*). Under the terms of the PRC Joint Venture, if there is substantial policy changes in the PRC relating to tolls for bridges, or if the monthly income received by the PRC Joint Venture is below certain pre-determined level, then Fuller Sky will have the right to require its joint venture partner to purchase Fuller Sky’s equity rights in the PRC Joint Venture at the carrying value (including the prescribed rate of return) of Fuller Sky’s investment in the PRC Joint Venture.

Ever Power will acquire the entire interest in Fuller Sky, being 100% of the issued share capital of Fuller Sky and the Loan in the amount of HK\$191,226,376.

The unaudited consolidated net asset value of Fuller Sky as at 30 June 2008 was approximately HK\$49.7 million. The unaudited consolidated profits before and after taxation and extraordinary items of Fuller Sky for the year ended 31 December 2006 were HK\$16.0 million and HK\$16.0 million respectively. The unaudited consolidated profits before and after taxation and extraordinary items of Fuller Sky for the year ended 31 December 2007 were HK\$15.8 million and HK\$15.8 million respectively.

The original investment amount of Massive Information in respect of the entire interest in Fuller Sky, being 100% of the issued share capital of Fuller Sky and the Loan, was approximately HK\$233.2 million.

Consideration:

Ever Power shall pay to Massive Information a consideration in the amount of HK\$235 million in cash on completion of the Agreement.

The said consideration will be financed by the Company from its internal resources. It was determined based on arm's length negotiation between the parties with reference to the estimated maximum revenue that Fuller Sky is entitled to under the contract for the PRC Joint Venture for the remaining concession period and the amount of the Loan on a dollar for dollar basis.

Conditions:

Completion of the Agreement is conditional on, among other things:

- (i) the Independent Shareholders approving the Agreement and the transactions contemplated thereunder; and
- (ii) all governmental, regulatory and third party approvals and permissions required for the transactions contemplated under the Agreement being obtained.

Completion:

Completion of the Agreement will take place within fourteen (14) days upon the fulfilment or waiver of all conditions, or such later date as agreed by the parties. If any of the conditions has not been satisfied (or waived) on or before 31 December 2008 or such other later date as may be agreed by the parties, the Agreement will be immediately terminated.

REASONS FOR THE ACQUISITION

The Group is principally engaged in building construction, civil engineering works, infrastructure investment and project consultancy business and Ever Power is an investment holding company.

COHL is principally engaged in investment holding and is the immediate holding company of the Company. Massive Information is an investment holding company.

Given the acceleration of urbanisation in the PRC, the Directors believe that the infrastructure investment in the PRC will grow rapidly in the future and the Acquisition will enhance the Group's infrastructure investment portfolio and generate stable long term income to the Company.

GENERAL

The Board (other than the independent non-executive Directors whose opinion will be provided after reviewing the advice of the independent financial adviser) considers that the Agreement has been entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

COHL is interested in approximately 62.2% of the issued share capital of the Company and Massive Information is an indirect wholly-owned subsidiary of COHL. Accordingly, COHL and Massive Information are connected persons of the Company. As the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rule calculated with reference to the Agreement exceed 2.5% but are less than 25%, the Acquisition constitutes a connected and discloseable transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements. Voting at the EGM will be conducted by poll and in view of the interest of COHL and its associates in the Acquisition, COHL and its associates will abstain from voting at the EGM.

An independent board committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Acquisition. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this connection.

A circular containing, among other things, further particulars of the Acquisition together with, the recommendations of the independent board committee of the

Company, a letter of advice from the independent financial adviser to advise the independent board committee and the Independent Shareholders, and a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

DEFINITIONS

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

- “Acquisition”** the acquisition of 100% of the issued share capital of Fuller Sky and the Loan contemplated under the Agreement;
- “Agreement”** the agreement entered into by Massive Information and Ever Power on 6 October 2008 in relation to the sale and purchase of 100% of the issued share capital of Fuller Sky and the assignment of the Loan;
- “associate”,
“connected person”,
“subsidiary”,
“substantial
shareholder”** each has the meaning ascribed to it in the Listing Rules;
- “Board”** the board of Directors;
- “COHL”** China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability and a substantial shareholder of the Company;
- “Company”** China State Construction International Holdings Limited (stock code: 3311), a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange;
- “Directors”** the directors of the Company;

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| “Ever Power” | Ever Power Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company; |
| “EGM” | the extraordinary general meeting of the Company to be held to consider and approve, among other things, the Agreement and the transactions contemplated thereunder; |
| “Fuller Sky” | Fuller Sky Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Massive Information; |
| “Group” | the Company and its subsidiaries 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; |
| “Independent Shareholders” | Shareholders excluding COHL and its associates; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Loan” | the unsecured and non-interest bearing loan repayable on demand owing by Fuller Sky to Massive Information as at completion of the Agreement; |
| “Massive Information” | Massive Information Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of COHL; |
| “PRC” | the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan; |
| “Shares” | shares in the ordinary share capital of the Company; |

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| “Shareholders” | holders of Shares; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; and |
| “%” | per cent.. |

* *For identification purpose only.*

By Order of the Board
China State Construction International Holdings Limited
Kong Qingping
Chairman and Non-executive Director

Hong Kong, 6 October 2008

As at the date of this announcement, the board of directors of the Company 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.