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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2009

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2009	2008 (Per 2008 Interim Report)	Change %
RESULTS (HK$' 000)			
Revenue	**5,501,951**	5,407,512	1.7
Gross profit	**464,546**	398,060	16.7
Gross profit margin	**8.4%**	7.4%	13.5
Profit attributable to owners of the Company	**303,351**	257,215	17.9
FINANCIAL INFORMATION PER SHARE			
Earnings – basic (HK cents)	**12.40**	10.55	17.5
Net assets (HK$)	**1.12**	0.97	15.5

BANK BALANCES AND CASH

As at 30 June 2009, the Group had bank balances and cash of approximately HK$2.10 billion.

INTERIM DIVIDEND

The Board declared the payment of an interim dividend of HK3.60 cents per share.

The board of directors (the "Board") of China State Construction International Holdings Limited (the "Company") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2009 together with the restated comparative figures for the corresponding period ended 30 June 2008 as follow:

UNAUDITED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 June	
		2009	2008
	Notes	**HK$'000**	HK$'000
			(Restated)
Revenue	3	**5,501,951**	5,439,138
Contract costs		**(4,870,294)**	(4,823,688)
Other costs of sales		**(167,111)**	(185,764)
Gross profit		**464,546**	429,686
Investment income	5	**17,658**	15,121
Other income		**26,053**	18,781
Administrative expenses		**(159,136)**	(166,419)
Distribution and selling expenses		**(6,751)**	(1,219)
Other expenses		**(5,282)**	(1,491)
Reversal of impairment loss of properties held for sales		**-**	18,298
Share of profits of associates		**3,550**	4,899
Finance costs		**(5,639)**	(6,654)
Profit before tax	6	**334,999**	311,002
Income tax expense	7	**(31,648)**	(23,814)
Profit for the period		**303,351**	287,188
Attributable to:			
Owners of the Company		**303,351**	280,070
Non-controlling interests		**-**	7,118
		303,351	287,188
Earnings per share (HK cents)	9		
Basic		**12.40**	11.49
Diluted		**11.96**	10.96

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
		(Restated)
Profit for the period	**303,351**	287,188
Other comprehensive income:		
Exchange differences arising on translation of foreign operations	**(1,671)**	58,320
Fair value changes of available-for-sale investments	**10,866**	(8,464)
	9,195	49,856
Total comprehensive income for the period	**312,546**	337,044
Total comprehensive income attributable to:		
Owners of the Company	**312,546**	329,926
Non-controlling interests	**-**	7,118
	312,546	337,044

CONSOLIDATED BALANCE SHEET

	Notes	30 June 2009 HK$'000 (Unaudited)	31 December 2008 HK$'000 (Audited)
Non-current Assets			
Property, plant and equipment		**1,091,367**	1,107,275
Investment properties		**44,012**	44,692
Investment in lands consolidation		**49,837**	49,814
Interests in infrastructure project investment		**458,447**	466,876
Trade receivables from build-transfer project		**113,443**	-
Prepaid lease payments		**77,428**	78,536
Interests in associates		**40,083**	41,258
Available-for-sale investments		**103,284**	98,169
Amounts due from investee companies		**204,218**	181,940
		2,182,119	2,068,560
Current Assets			
Interests in infrastructure project investment		**17,526**	15,782
Prepaid lease payments		**2,239**	2,238
Inventories		**25,725**	55,509
Properties held for sale		**8,477**	9,309
Amounts due from customers for contract work		**854,402**	506,385
Trade and other receivables	10	**3,548,884**	3,703,163
Deposits and prepayments		**311,799**	232,690
Amounts due from jointly controlled entities		**33,924**	67,951
Amounts due from the partners of jointly controlled entities		**280,860**	292,098
Amounts due from fellow subsidiaries		**123,392**	108,291
Amount due from holding company		**954**	2,238
Tax recoverable		**2,649**	2,414
Deposits with financial institution		**-**	177
Pledged bank deposits		**14,333**	16,690
Bank balances and cash		**2,087,132**	1,900,169
		7,312,296	6,915,104

CONSOLIDATED BALANCE SHEET (continued)

	Notes	30 June 2009 HK$'000 (Unaudited)	31 December 2008 HK$'000 (Audited)
Current Liabilities			
Amounts due to customers for contract work		**437,629**	301,089
Trade and other payables	11	**3,992,823**	3,690,426
Deposits received and receipt in advance		**589,946**	623,762
Amounts due to jointly controlled entities		**280,154**	308,820
Amounts due to the partners of jointly controlled entities		**27,939**	46,879
Amount due to intermediate holding company		**33,766**	86,583
Amounts due to fellow subsidiaries		**4,941**	4,270
Amount due to an associate		**8,519**	10,139
Tax liabilities		**122,696**	114,622
Borrowings		**831**	37,128
Obligations under finance leases		**81**	162
		5,499,325	5,223,880
Net Current Assets		**1,812,971**	1,691,224
Total Assets less Current Liabilities		**3,995,090**	3,759,784
Capital and Reserves			
Share capital		**61,204**	61,119
Share premium and reserves		**2,695,178**	2,462,138
Equity attributable to owners of the Company		**2,756,382**	2,523,257
Non-current Liabilities			
Deferred income		**161,241**	165,320
Deferred tax liabilities		**77,393**	71,133
Unsecured bank loan		**1,000,000**	1,000,000
Obligations under finance leases		**74**	74
		1,238,708	1,236,527
		3,995,090	3,759,784

NOTES:

(1) Basis of Preparation

On 6 October 2008, Ever Power Group Limited ("Ever Power"), an indirect wholly-owned subsidiary of the Company, has entered into two Sale and Purchase Agreements, with Massive Information Enterprises Limited, an indirect wholly-owned subsidiary of China Overseas Holdings Limited ("COHL"), the immediate holding company of the Company, and China Overseas Road & Bridge Holdings Limited, an indirect wholly-owned subsidiary of China Overseas Land & Investment Ltd., a listed fellow subsidiary of the Company respectively, whereby Ever Power shall acquire the entire issued share capital and the loan amount of Fuller Sky Enterprises Limited ("Fuller Sky") and Value Idea Investments Limited ("Value Idea") at the consideration of HK$235 million and HK$220 million, respectively. All the transfers were completed in November 2008.

The transfer of the entire interests in Fuller Sky and Value Idea (the "Acquired Companies") as mentioned above are common control combinations and the Group and the Acquired Companies are regarded as continuing entities. Accordingly, the consolidated financial statements of the Group have been prepared using the principle of Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), as if the transfer of the controlling interests in Acquired Companies has been completed as at 1 January 2008. Accordingly, the comparative figures of the consolidated income statement and condensed consolidated statement of comprehensive income have been restated.

The unaudited interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the HKICPA and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The unaudited interim financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

(2) Principal Accounting Policies

The interim financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair values, as appropriate.

Except for the adoption of new and revised standards, amendments and interpretations ("New HKFRSs") issued by HKICPA which are effective on or after 1 January 2009, the accounting policies used in the interim financial statements are consistent with those adopted in the annual financial statements of the Group for the year ended 31 December 2008.

In the period, the Group has applied the following New HKFRSs which are or have become effective.

HKFRSs (Amendments)	Improvements to HKFRSs
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating segments
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation

HKFRS 8 requires segment disclosure to be based on the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's chief operating decision maker.

(2) Principal Accounting Policies (continued)

The directors concluded that the adoption of these New HKFRSs had no material effects on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following revised standards, amendment or interpretations that have been issued but are not yet effective.

HKAS 27 (Revised)	Consolidated and Separate Financial Statements [1]
HKAS 39 (Amendment)	Eligible Hedged Items [1]
HKFRS 3 (Revised)	Business Combinations [1]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[2]

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Effective for transfers on or after 1 July 2009

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27(Revised) will affect the accounting treatment for changes in a parent’s ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other revised standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

(3) Revenue

Revenue represents the revenue arising on construction contracts, project management service income, revenue from supply of heat and electricity, revenue from provision of connection services, revenue from infrastructure project investment, net amount received and receivable for precast structures and building materials sold by the Group to outside customers, less returns and allowances and revenue from machinery leasing and insurance contracts.

An analysis of the Group's revenue for the period was as follows:

	For the six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
		(Restated)
Revenue from construction contracts	**5,130,808**	4,908,304
Project management service income	**110,485**	291,409
Revenue from supply of heat and electricity	**190,747**	146,126
Revenue from provision of connection services	**3,438**	2,670
Revenue from infrastructure project investment	**30,614**	31,626
Sales of precast structures and building materials	**27,968**	40,482
Other income (note)	**7,891**	18,521
	5,501,951	5,439,138

Note: Other income mainly comprises revenue from machinery leasing and insurance contracts.

(4) Segment Information

On first time adoption of HKFRS 8 “Operating segments” and in a manner consistent with the way in which information is reported internally for the purposes of resource allocation and performance assessment, the Group is currently organised into five geographical segments - Hong Kong, Regions in the People Republic of China (“PRC”) (other than Hong Kong and Macau), Macau, United Arab Emirates (“UAE”) and India.

Segment information about these geographical segments by location of assets is presented below:

Revenue and result
For the six months ended 30 June 2009

	Hong Kong	Regions in the PRC (other than Hong Kong and Macau)	Macau	UAE	India	Sub-total	Inter-segment eliminations	Consolidated
	HK$’000	HK$’000	HK$’000	HK$’000	HK$’000	HK$’000	HK$’000	HK$’000
REVENUE								
External sales	3,352,379	616,098	889,379	644,095	-	5,501,951	-	5,501,951
Inter-segment sales	979	55,793	-	-	-	56,772	(56,772)	-
Total revenue	3,353,358	671,891	889,379	644,095	-	5,558,723	(56,772)	5,501,951

Inter-segment sales are charged at prevailing market rates.

	Hong Kong	Regions in the PRC (other than Hong Kong and Macau)	Macau	UAE	India	Sub-total	Inter-segment eliminations	Consolidated
RESULT								
Segment gross profit	162,767	166,025	108,093	27,661	-	464,546	-	464,546
Segment results	114,708	158,962	106,408	10,909	(1,728)	389,259	-	389,259
Inter-segment result	15,773	-	-	-	-	15,773	(15,773)	-
	130,481	158,962	106,408	10,909	(1,728)	405,032	(15,773)	389,259
Unallocated corporate expenses								(52,171)
Share of profits of associates								3,550
Finance costs								(5,639)
Profit before tax								334,999
Income tax expense								(31,648)
Profit for the period								303,351

(4) Segment Information (continued)

Revenue and result
For the six months ended 30 June 2008 (restated)

	Hong Kong	Regions in the PRC (other than Hong Kong and Macau)	Macau	UAE	India	Sub-total	Inter-segment eliminations	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
REVENUE								
External sales	2,841,952	319,114	1,276,307	944,567	57,198	5,439,138	-	5,439,138
Inter-segment sales	-	66,464	-	-	-	66,464	(66,464)	-
Total revenue	2,841,952	385,578	1,276,307	944,567	57,198	5,505,602	(66,464)	5,439,138

Inter-segment sales are charged at prevailing market rates.

	Hong Kong	Regions in the PRC (other than Hong Kong and Macau)	Macau	UAE	India	Sub-total	Inter-segment eliminations	Consolidated
RESULT								
Segment gross profit	116,999	118,031	139,296	52,277	3,083	429,686	-	429,686
Segment results	86,198	100,849	136,024	26,820	2,535	352,426	-	352,426
Inter-segment result	7,865	-	-	-	-	7,865	(7,865)	-
	94,063	100,849	136,024	26,820	2,535	360,291	(7,865)	352,426
Unallocated corporate expenses								(57,967)
Reversal of impairment loss of properties held for sales								18,298
Share of profits of associates								4,899
Finance costs								(6,654)
Profit before tax								311,002
Income tax expense								(23,814)
Profit for the period								287,188

(5) Investment Income

	For the six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
		(Restated)
Interest income on:		
Bank deposits	**6,799**	9,527
Debt securities	**2,196**	2,253
Imputed interest on amount due from an investee company	**2,562**	-
	11,557	11,780
Dividend income from unlisted available-for-sale investments	**5,818**	2,921
Gain on disposal of listed available-for-sale investments	**283**	420
	17,658	15,121

(6) Profit Before Tax

	For the six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
		(Restated)
Profit before tax has been arrived at after charging:		
Depreciation	**3,368**	4,808

(7) Income Tax Expense

	For the six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
		(Restated)
Current tax:		
Hong Kong	**6,230**	12,334
Other jurisdictions	**24,783**	25,501
	31,013	37,835
Overprovision in prior years:		
Hong Kong	**(7,495)**	(9,505)
Other jurisdictions	**(5,153)**	(8,747)
	(12,648)	(18,252)
Deferred tax:		
Current period	**13,283**	4,231
Income tax expense for the period	**31,648**	23,814

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the current and corresponding period of last year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Under the New Law and Implementation Regulation, the Enterprise Income Tax rate of the Group's subsidiaries in the PRC was generally reduced from 33% to 25% from 1 January 2008 onwards. For those subsidiaries enjoying privilege rate of 15%, the new tax rate was progressively increasing to 25% over five years as grandfathering provision.

(8) Dividends

	For the six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
Dividends recognised as distributions during the period:		
2008 Final, paid HK3.30 cents per share (2007 Final: HK4.50 cents per share)	**80,782**	109,726

The directors declared an interim dividend of HK3.60 cents (2008: HK3.70 cents) per share.

(9) Earnings Per Share

The calculation of the basic and diluted earnings per share attributable to the ordinary owners of the Company is based on the following data:

	For the six months ended 30 June	
	2009	2008
	HK$'000	HK$'000
		(Restated)
Earnings		
Earnings for the purposes of basic and diluted earnings per share	**303,351**	280,070
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**2,446,450**	2,437,547
Effect of dilutive potential ordinary shares in respect of share options	**90,823**	118,293
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**2,537,273**	2,555,840

(10) Trade and Other Receivables

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) at the balance sheet date:

	30 June 2009 HK$'000	31 December 2008 HK$'000
Trade receivables, aged		
0-30 days	**1,719,471**	1,647,022
31-90 days	**471,665**	754,664
Over 90 days	**216,429**	161,820
	2,407,565	2,563,506
Retention receivables	**1,071,300**	1,082,053
Other receivables	**70,019**	57,604
	3,548,884	3,703,163
Retention receivables		
due within one year	**458,093**	458,527
due more than one year	**613,207**	623,526
	1,071,300	1,082,053

Except for the proceeds from income from construction contracts which are payable in accordance with the terms of the relevant agreement, the Group generally allows an average credit period of not exceeding 90 days to its trade customers and the retention receivables are repayable approximately one year after the defect liability period of construction projects.

(11) Trade and Other Payables

The following is an aged analysis of trade and other payables at the balance sheet date:

	30 June 2009 HK$'000	31 December 2008 HK$'000
Trade and other payables, aged		
0-30 days	**2,463,581**	1,848,774
31-90 days	**580,465**	870,359
Over 90 days	**151,616**	202,334
	3,195,662	2,921,467
Retention payables	**797,161**	768,959
	3,992,823	3,690,426

Retention payables		
due within one year	**427,970**	449,840
due more than one year	**369,191**	319,119
	797,161	768,959

The average credit period on trade and construction cost payables is 60 days. The Group has financial risk management polices in place to ensure that all payables are paid within the credit time-frame.

(12) Post Balance Sheet Events

(a) On 8 July 2009, China Construction Third Engineering Bureau Corp., Ltd., ("CCTEB"), a subsidiary of China State Construction Engineering Corporation Limited ("CSCECL"), the intermediate holding company of the Company, entered into a project corporation agreement ("Agreement") in relation to the formation of a joint venture company in Wuhan ("Wuhan JV") with Shenzhen China Overseas Construction Limited ("SCOCL"), a wholly owned subsidiary of the Company, and CSCECL. Pursuant to the Agreement, CCTEB, SCOCL and CSCECL hold 50%, 30% and 20% equity interests in the Wuhan JV respectively. The Wuhan JV undertakes the construction of the infrastructure project in Wuhan. The project involves the reconstruction of the Wuxian Highway（武咸公路）and the construction of the Shahu Passageway （沙湖通道）.

(12) Post Balance Sheet Events (continued)

(b) On 16 July 2009, the Company announced to raise not less than approximately HK$1,366,094,000 before expenses by way of rights issue of 489,639,491 rights shares at a price of HK$2.79 per rights share on the basis of one rights share for every five existing shares held on 7 August 2009. The rights shares are underwritten by China Overseas Finance Investment Limited, a wholly owned subsidiary of COHL. The net proceeds will be used to strengthen financial position and increase general working capital of the Company for its future business development. The details of the rights issue are set out in the prospectus to shareholders dated 7 August 2009.

RESULTS

The Group's unaudited profit attributable to the shareholders and earnings per share for the six months ended 30 June 2009 increased by 17.9% to HK$303 million and 17.5% to HK12.40 cents respectively as compared to the announced results of the corresponding period last year. As at 30 June 2009, equity attributable to the shareholders increased to HK$2,756 million while net assets per share amounted to HK$1.12.

REVIEW OF OPERATION

During the first half of 2009, countries around the world unprecedentedly jointed hands to adopt proactive fiscal and monetary policies. In Europe and US, despite the slowing down of economic deterioration and the restoration in corporate and consumer confidence, the economic fundamentals were still weak. Growth in emerging economies, as represented by China and India, was above expectation, and these countries became the new engine that drives the global economic recovery.

Market Conditions

Under the impacts of the financial tsunami, Hong Kong's export sector experienced severe difficulties and demands continued to be weak, leading to higher unemployment rate. The number of newly-completed private buildings and those with consent to commence work drastically dropped. However, benefited from the policies the Government of the Hong Kong Special Administrative Region in infrastructure investments promotion, fiscal stimulus and job creation, the Hong Kong construction market is still full of opportunities. Equipped with the highest qualification in Hong Kong market, the five Group C licenses, the Group maintained its steady and healthy business strategy of "Competing by Low Cost and High Quality of Management", which preserved our competitiveness in the Hong Kong market.

Market Conditions (continued)

Macau was not immune from such economic crisis, under the tightening of the Mainland China's individual travel scheme, the slowing down or suspension of investment and development projects by some developers of gambling concession projects, and the shrinkage in the newly-launched government and private projects. Our construction projects already in progress in Macau, however, proceeded as scheduled in a neat and organized manner, and generated good profit contribution.

In Dubai of the UAE, the impact of the financial crisis continued, with some property projects coming to a halt as property owners became financially difficult. However, the local government's continuing capital injections offered an opportunity for Dubai's economy to rest and recover. Facing challenges, we adhered to the strategy of prudent operation and effectively confined risks under controllable scope. In Abu Dhabi, where the construction market was still booming, the market demand was substantial, and we fully took advantage of our mature experience in Hong Kong to engage ourselves in business expansion and operation in that region.

In the Mainland China, the state's launch of the 4-trillion investment stimulus scheme specifically, the 10 industry revival plans, and some other macroscopic policies on improvement of people's livelihood and stabilization of exports, had resulted in the rebound and recovery of the economy as a whole. Adhering to "obtaining sustainable growth in profits" as its ultimate goal of business expansion and operation, the Group prudently selected those construction businesses having foreign investments and those build-transfer ("BT") model investment businesses that have promising prospects of profits.

New Projects Awarded

From 1 January 2009 to the date of this report, the Group secured 31 new contracts with a total attributable contract value of approximately HK$11,140 million as shown below:

	Up to the date of this report						For the corresponding period in 2008	
	First half of 2009		After 30 June 2009		Total			
	No.	HK$' Million	No.	HK$' Million	No.	HK$' Million	No.	HK$' Million
Hong Kong Project	17	4,404	3	2,466	20	6,870	16	6,814
Mainland China Project	8	3,142	1	794	9	3,936	2	716
Macau Project	1	2	-	-	1	2	5	1,476
UAE Project	-	-	-	-	-	-	-	-
Indian Project	-	-	1	332	1	332	-	-
Total	**26**	**7,548**	**5**	**3,592**	**31**	**11,140**	**23**	**9,006**

Major contracts awarded:

Hong Kong: Construction of Tin Shui Wai Public Library cum Indoor Recreation Centre; Construction of Un Chau Estate Phase 5; Construction of Shopping Centre at Yau Tong Estate Redevelopment Phase 4; Replacement and Rehabilitation of Water Mains, Stage 3 Mains in Central and Western District; and

Mainland China: 唐山市濱海大道海港開發區至曹妃甸段內線工程項目(“Tangshan Binhai Avenue (Section from Seaport Development Zone to Caofeidian Inner Link)”).

Projects in Progress

As at 30 June 2009, the Group had a total of 90 projects in progress, with a total attributable contract value of HK$43,943 million while value of incomplete contracts was HK$22,767 million as shown below:

	30 June 2009			30 June 2008	
	No.	Attributable contract value HK$' Million	Value of incomplete contract HK$' Million	No.	Attributable contract value HK$' Million
Hong Kong Project	60	23,295	12,738	55	19,314
Mainland China Project	11	4,084	3,709	8	1,113
Macau Project	12	10,426	3,568	16	12,006
UAE Project	7	6,138	2,752	7	5,267
Indian Project	-	-	-	1	309
Total	**90**	**43,943**	**22,767**	**87**	**38,009**

Projects in progress have been smoothly undertaken and with great effort in control and management on quality, safety, environmental protection, progress and cost in accordance with the laws of the government of various places and the contractual requirements. Clients are served with services of the best quality.

Corporate Governance

The Group operated lawfully by strictly complying with the laws, regulations and the Listing Rules of The Stock Exchange of Hong Kong Limited. Effective monitoring by the Board, enhanced investor relations, timely release of relevant information and enhanced investor understanding about the Company, contributed to the continual enhancement in the standard of corporate governance of the Company.

The Group will maintain a sound and effective corporate governance structure and enhance its strategy of regional operation and development. In order to cope with the challenge in the market posed by the financial tsunami, the Group will adjust its strategic planning in a timely manner and enhance its overall risk management system. It will also fully leverage the role of the Group's Cross-region Decision Committee to ensure that the Group is operated in a highly effective manner. It will further enhance its brand building to highlight its brand image, with a view to promoting the steady growth of its business operations.

Risk Management

The Group exercised full-scale enhancement of its risk management by establishing a Risk Management Control Committee and establishing a corresponding comprehensive risk control mechanism and system at the Group's level. From a strategic perspective, the Group accurately evaluated the market conditions and adjusted its strategy in a decisive and timely manner, ensuring the effective implementation of major operations strategy. Risk control in various segments was enhanced in a full scale. Safety production was highly emphasized and materials procurement was closely monitored. By optimizing management procedures, it helped to enhance management performance. These had contributed to enhancing operational effectiveness of the enterprise and benefits to the society. Regarding to our investment business, the Group had gradually built up a set of systems and procedures to treat risk control as our top priority. Team building, decision-making system and establishment of systems were given priority, and systems and procedures for investment decisions were set up in an organized manner, in order to maximize protection of our investments against risks.

Financial Management

Our financial management, fund management and external financing were centrally managed and controlled at our headquarters. In line with its principles of prudent finance, the Group maintained very sound financial position. For its overseas market, the Group closely monitored the local economic development of the respective markets, and focused on avoiding currency exchange rate risks and interest rate risks. By holding quarterly economic activity analysis and thematic session on finance, rolling amendment and evaluation on the Group's overall strategic plans, operations and system establishment are made to ensure the healthy expansion and operation of the Group's various business segments.

Capital Operation and Related Investment Business

On 16 July 2009, the Group announced the "Proposed rights issue on the basis of one rights share for every five existing shares held" proposal. Upon completion of the rights issue, HK$1.37 billion before expenses would be raised for the long term equity capital of the Group. The fund raising ensures the Group's ability to capture investment opportunities in the Mainland China, enlarge the capital base of the Company and strengthen the Company's financial position.

Capital Operation and Related Investment Business (continued)

The Group captured the valuable opportunities arising from the investment stimulus plan in the Mainland China and fostered its BT investment business. Related efforts were fully launched and breakthroughs were already achieved. The Group and China State Construction Engineering Corporation Limited (“CSCECL”), the controlling shareholder, entered into a Joint Venture Agreement, pursuant to which both parties shall form a joint venture company for the construction of the 唐山市濱海大道項目(“Tangshan Binhai Avenue”). In addition, the Group entered into a Wuhan Joint Venture Agreement with CSCECL and its subsidiary to construct the Wuhan Infrastructure Project.

Corporate Citizenship

In addition to the pursuit of profits for its shareholders, the Group attached great emphasis to social responsibilities, customer services, environmental protection and staff welfare as components of corporate citizenship, taking to heart a traditional idea for corporate citizenship. The Group’s care for the community, active participation in community affairs and charitable deeds contributed to the society and raised funds to help people in need. The Group has active participation in the charitable “Walk for a Million” in Hong Kong. As always, the Group highly valued the construction quality, safety and environmental issues, and was actively involved in various activities regarding quality, safety and environmental protection. Our efforts were highly recognized by the clients and various parties and we have received various awards in relation to safety and environmental protection.

Key Awards

During the first half of 2009, “China State Construction” was conferred the “Caring Company Logo 2008/09” by the Hong Kong Council of Social Service in recognition of its commitment to corporate citizenship during the previous year; China State Construction Engineering (Hong Kong) Limited was conferred Merit (Construction Industry) by the Environmental Campaign Committee; the Site Formation Works at Anderson Road Project was conferred Civil Engineering Sites Bronze Award in the Construction Industry Safety Award Scheme 2008/2009 held by the Labour Department of Hong Kong etc.; the Maintenance Project for Roads in Sha Tin was conferred Considerate Contractors Site Award 2008 Silver Award by the Development Bureau of Hong Kong.

Key Awards (continued)

We were conferred an "Overall Annual Report Bronze Award" in the 22nd "Mercury Awards International" in respect of the Group's Annual Report 2007. In addition, we were conferred the "Cover Photo/Design Gold Prize" and "Honor for Overall Annual Report" in the "International ARC Awards", the world's largest annual report competition, in respect of the Group's Annual Report 2008.

BUSINESS PROSPECTS

Although, to a certain extent, there were signs of recovery of the global economy, the pace of recovery will be slow and lack of luster. The global economy is now at a critical stage, showing an upward trend yet facing potential challenges.

Market Conditions

Under the dual impact of the financial tsunami and the H1N1 Novel Influenza, Hong Kong's economy will still potentially face its downside in the second half of 2009. However, driven by the strong economic recovery in the Mainland China, as well as the large scale infrastructure investment by the Hong Kong government with a view to stimulating the economy, signs of economic recovery already appeared. Construction of large scale public infrastructure projects will also commence in succession. There are full of business opportunities in the construction market in Hong Kong. In Macau, the expedited diversification of the region's economy, and the launch of infrastructure projects such as the Hong Kong-Zhuhai-Macau Bridge will have positive effects on the recovery of the construction market in Macau.

The series of fund injection and stimulus packages introduced by the local government of Dubai will be conducive to the recovery of economy and the stabilization and recovery of the real estate market in Dubai. In Abu Dhabi, population growth, town planning and the tourism industry are expected to drive remarkable growth in the construction market and bring forth promising prospects.

The increase in investment and the resulting increase in local investment in the Mainland China will provide advantageous environment and spacious room for development for the Group's construction and investment business. At the same time, the Central Government's strategy to encourage and support potential enterprises to accelerate their "Going Out" initiatives, and the stepped-up efforts in external investment and cooperation, also provide beneficial policy environment for the implementation of the Group's internationalization strategy.

Operation Strategies

The Group will continue to be in full gear to implement the developing strategy of "Cross-region Operation", building an operation platform for three regions of Hong Kong and Macau, overseas region and Mainland China and to strike a balance for scale versus efficiency, and risks versus opportunities.

With firm determination to maintain and enhance the development of the scale of its business in Hong Kong and Macau, the Group will take full leverage on synergy of the integration of both places, striving to maintain and concrete its current market share and assuring its position as one of the largest construction contractors in the region of Hong Kong and Macau to further boost its profitability.

In respect of Mainland China, the Group will continue its great development trend to bring its international and national operating ability and resources in full play and adhere to contracting sizeable projects which are mainly the foreign-invested to guard itself against risks and maximize its gains; on the back of the good investment opportunities in the Mainland China, the Group will utilize its competitive strengths to focus on its investments in the Mainland China's infrastructure construction, namely the BT and BOT projects, endeavoring to establish a new engine for profit growth in investment business. Meanwhile, the Group will continue to actively seek for co-operation and exploration opportunities in respect of environmental protection and clean energy investment.

Our overseas business will focus on Dubai and Abu Dhabi of the United Arab Emirates, striving for gains while keeping stability. At the same time, the Group will adopt the strategy of "selective tendering" in Indian market. In other overseas markets, the principle of case-by-case exploration will be adhered to, under which resources will be focused on participating in those economic assistance projects under the "Going Out" strategic framework formulated by the Central Government.

Operation Management

The Group has been engaging in the construction business for almost 30 years, and has developed five major competitive strengths and core competitiveness with high regard on the promotion of the "5+3" project management model. The Group will enhance its management innovation and foster more refined management to boost effectiveness in management. The Group will actively foster the development of its information computerization with due regard to its strategic development plan. Implementation of the NC system and ERP system will also be fostered to enhance the management standard of the Company.

Risk Management

The Group will continue to step up its efforts in risk management and control as well as comprehensive inspection and auditing, enhancing risk prevention and being conscious of risk alert, to reasonably guard itself against risks. On the principles of stability, sustainability, high efficiency and low risk in the Group's business expansion and operation, a balance will be achieved among risks, resources and business exploration to ensure smooth operation of each segment. Following further internationalization of its business, the Group will step further to optimize the risk management and control structure for its overseas business.

Financial Management

Financial management is continuously strengthened to further improve our capability in capital operation and fund raising and effectively support our business expansion. The Group will continue to make active efforts to promote its ERP system aiming at strengthening the run-through of information for projects and operations, actively control its costs, and optimize its cashflow, so as to improve the Group's overall operation efficiency and risk management capability.

Human Resources Management

The Group has long been regarding "the formulation of an international team of talents with fine strengths and high efficiency under a clear and reasonably-established structure" as an important element for securing the sustainable development of its business. The Group will further improve and optimize its advanced human resources management structure, and formulate a talented team which practically suits the trend of its business development, so as to secure a pool of talents for the Group's future development.

COMPANY MISSION

With an assertion on using talents well, the Group makes continuing innovations and reinforces its core competitiveness, to achieve a harmonious and win-win operating environment for the products, customers, shareholders and staff.

In pursuit of its philosophy of "Exercise Caution in Details and Implementation; Build a Strong Foundation to Seek Greater Success", the Group focuses on details and advocates pragmatic works. Consistently pursuing the professionalism of "Achieving Superb Quality in Each Process thus Making Each Property of Superb Quality", the Group is committed to offering excellent products and services in excess of their own values, facilitating the urbanization and enhancing the living environment quality, actively performing its responsibilities as a corporate citizen, improving competitiveness and shareholder's value, and striving to build up an evergreen business regime.

INTERIM DIVIDEND

The Board declared an interim dividend of HK3.60 cents (2008: HK3.70 cents) per share to the shareholders whose names appear in the register of members of the Company on Friday, 18 September 2009. The interim dividend will be payable on Monday, 28 September 2009.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 17 September 2009 to Friday, 18 September 2009, both days inclusive, during such period no transfer of shares will be registered.

In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, no later than 4:00 p.m. on Wednesday, 16 September 2009.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

During the six months ended 30 June 2009, the Company had complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

REVIEW OF ACCOUNTS

The Group's unaudited interim results for the six months ended 30 June 2009 have been reviewed by the Audit Committee which comprises four Independent Non-executive Directors.

APPRECIATION

I would like to take this opportunity to express my gratitude to the Board for its brilliant leadership, to the shareholders for their strong support, and to the community for their enthusiast help, and last but not least, to our staff for their dedicated efforts.

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

Hong Kong, 17 August 2009

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