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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)

CONTINUING CONNECTED TRANSACTION
RENEWAL OF THE MASTER DUBAI CONSTRUCTION AGREEMENT

Reference is made to the announcement dated 20 November 2007 and the circular dated 30 November 2007 of the Company relating to its permission for the CSCEC Group to participate in the construction market in Dubai pursuant to the Master Dubai Construction Agreement.

The initial term of the Master Dubai Construction Agreement will expire on 31 December 2010. As a result, on 17 November 2010, the Company and CSCEC agreed in writing to renew the Master Dubai Construction Agreement for a further term of three (3) years commencing from 1 January 2011 to 31 December 2013.

During the Renewed Term, the Continuing Connected Transaction will be subject to the New Annual Caps and other terms of the Master Dubai Construction Agreement will continue in force.

CSCEC is the ultimate holding company of COHL, which in turn is a controlling shareholder of the Company. CSCEC is an associate of COHL and thus is a connected person of the Company. The granting of permission to the CSCEC Group to tender for and/or enter into contracts in construction works in Dubai during the Renewed Term constitutes a continuing connected transaction of the Company.

The applicable percentage ratios as defined under Rule 14A.10 of the Listing Rules calculated for the Company for the fee receivable under the Master Dubai Construction Agreement in respect of the maximum value of contract awarded in each of the three years ending 31 December 2013, i.e. the New Annual Caps, would exceed 0.1% but will be less than 5%. As such, the Continuing Connected Transaction is required to comply with the reporting and announcement requirements and is exempted from the independent shareholders' approval requirements under the Listing Rules.

BACKGROUND

Reference is made to the announcement dated 20 November 2007 and the circular dated 30 November 2007 of the Company relating to its permission for the CSCEC Group to participate in the construction market in Dubai pursuant to the Master Dubai Construction Agreement.

RENEWAL

The initial term of the Master Dubai Construction Agreement will expire on 31 December 2010. As a result, on 17 November 2010, the Company and CSCEC agreed in writing to renew the Master Dubai Construction Agreement for a further term of three (3) years commencing from 1 January 2011 to 31 December 2013.

During the Renewed Term, the Continuing Connected Transaction will be subject to the New Annual Caps and other terms of the Master Dubai Construction Agreement will continue in force.

CONTINUING CONNECTED TRANSACTION

Subject:

For so long as the Non-Competition Undertaking remains in force and pursuant to the Master Dubai Construction Agreement, the CSCEC Group may subject to the prior written consent of the Company, tender for and/or enter into contracts in construction works in Dubai during the Renewed Term.

Renewed Term:

Three (3) years commencing on 1 January 2011 and ending on 31 December 2013.

Consideration and New Annual Caps:

During the Renewed Term, CSCEC shall pay the Company a fee of 2.5% of the final contract sum received by the CSCEC Group in respect of each construction work awarded and undertaken by the CSCEC Group in Dubai calculated on a quarterly basis with reference to the value of the contract work certified as completed in that quarter and payable within one month from the end of each relevant quarter.

The total contracts that may be awarded to the CSCEC Group in each of the three financial years ending 31 December 2013 shall not exceed HK\$5,000 million. The relevant fee thereon calculated on a 2.5% basis would be HK\$125 million (i.e. the “New Annual Caps”). The New Annual Caps have been estimated with reference to the historical records of the total contracts awarded to the CSCEC Group.

REASONS FOR THE RENEWAL

The Directors believe that it will be in the interest of the Group to further permit the CSCEC Group to participate in the Dubai market on its own otherwise than in joint venture with the Group as permitted under the Non-Competition Undertaking.

As the Group will maintain a first right of refusal over the CSCEC Group to participate in the construction market in Dubai, the Directors believe that the Renewal will not have any negative impact on the Group’s business prospects in Dubai.

GENERAL

The Directors (including the Independent Non-executive Directors) consider that the Continuing Connected Transaction has been entered into on normal commercial terms and in the ordinary course of business, and the terms therein and the New Annual Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

None of the Directors has a material interest in the Continuing Connected Transaction and none of them has abstained from voting on the relevant Board resolutions approving the Continuing Connected Transaction.

The Group is principally engaged in building construction, civil engineering works, infrastructure investments and project consultancy businesses.

The CSCEC Group is principally engaged in construction business and mainly participated in the PRC construction market.

LISTING RULES IMPLICATIONS

CSCEC is the ultimate holding company of COHL, which in turn is a controlling shareholder of the Company. CSCEC is an associate of COHL and thus is a connected person of the Company. The granting of permission to the CSCEC Group to tender for and/or enter into contracts in construction works in Dubai during the Renewed Term constitutes a continuing connected transaction of the Company.

The applicable percentage ratios as defined under Rule 14A.10 of the Listing Rules calculated for the Company for the fee receivable under the Master Dubai Construction Agreement in respect of the maximum value of contract awarded in each of the three years ending 31 December 2013, i.e. the New Annual Caps, would exceed 0.1% but will be less than 5%. As such, the Continuing Connected Transaction is required to comply with the reporting and announcement requirements and is exempted from the independent shareholders' approval requirements under the Listing Rules.

DEFINITIONS

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

“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company;
“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);
“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);
“Continuing Connected Transaction”	the transaction contemplated under the Master Dubai Construction Agreement (together with the New Annual Caps) during the Renewed Term;
“controlling shareholder”	has the meaning as ascribed in the Listing Rules;

“CSCEC Group”	CSCEC and its subsidiaries from time to time (including COLI but excluding the Group);
“CSCEC”	China State Construction Engineering Corporation, a state-owned corporation organised and existing under the laws of the PRC, being the ultimate controlling shareholder of the Company;
“Directors”	the directors of the Company;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Master Dubai Construction Agreement ”	the agreement dated 19 November 2007 entered into by the Company and CSCEC in relation to the permission by the Company for the CSCEC Group to tender for and/or enter into contracts in the construction works in Dubai;
“New Annual Caps”	the annual caps for the Continuing Connected Transaction;
“Non-Competition Undertaking”	the non-competition undertaking given by CSCEC in favour of the Company dated 29 April 2005, as supplemented by the Supplemental Agreement to Non-Competition Undertaking;
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Renewal”	the renewal of the Master Dubai Construction Agreement for the Renewed Term;
“Renewed Term”	a further three (3) year term of the Master Dubai Construction Agreement commencing from 1 January 2011 to 31 December 2013;
“Shareholders”	the shareholders of the Company;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement to Non-Competition Undertaking”	the supplement agreement dated 1 January 2008 entered into by the Company and CSCEC to amend the Non-competition Undertaking; and
“%”	per cent..

By order of the Board
**China State Construction
International Holdings Limited**
Zhou Yong

Vice-Chairman and Chief Executive Officer

Hong Kong, 17 November, 2010

As at the date of this announcement, the Board comprises Mr. Kong Qingping (Chairman) as Non-executive Director; Mr. Zhou Yong (Vice-chairman and Chief Executive Officer), Mr. Yip Chung Nam, Mr. Zhang Yifeng, Mr. Cheong Chit Sun, Mr. Zhou Hancheng and Mr. Tian Shuchen 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.