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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China State Construction International Holdings Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser, the transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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 SHARE SUBDIVISION**

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A letter from the Board is set out on pages 4 to 9 of this circular.

A notice convening the EGM to be held at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 12 June 2008 at 4:20 p.m. (or as soon thereafter as the annual general meeting of the Company convened for the same place and date at 4:00 p.m. shall have been concluded or adjourned) is set out on pages 10 to 11 of this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the appointed time for holding the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) should you so wish.

21 May 2008

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings, unless the context otherwise requires:*

“Announcement”	the announcement by the Company dated 30 April 2008 in relation to the proposed Share Subdivision
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day (except Saturday and Sunday) on which banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to approve the Share Subdivision
“Existing Share(s)”	existing ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	16 May 2008, being the latest practicable date prior to printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share Option Scheme”	the share option scheme of the Company adopted on 9 June 2005

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## DEFINITIONS

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“Share Subdivision”	the sub-division of each issued and unissued share of HK\$0.10 each in the share capital of the Company into 4 Subdivided Shares of HK\$0.025 each
“Shareholder(s)”	holder(s) of Existing Share(s) prior to the Share Subdivision becoming effective, or holder(s) of Subdivided Share(s) after the Share Subdivision becoming effective
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	upon the Share Subdivision becoming effective, ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Warrant(s)”	warrant(s) of the Company carrying rights to subscribe at any time during the period from 28 February 2008 to 27 February 2009 for shares of the Company at an initial subscription price of HK\$15.00 per share (subject to adjustments)
“Warrantholder(s)”	holder(s) of Warrant(s)

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## EXPECTED TIMETABLE

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The expected timetable for the Share Subdivision is as follows:

<b>Action</b>	<b>Date</b>
Latest time for lodging forms of proxy for the EGM . . . . .	4:20 p.m. on 10 June 2008
EGM expected to be convened on . . . . .	4:20 p.m. on 12 June 2008 (or as soon thereafter as the annual general meeting of the Company convened for the same place and date at 4:00 p.m. shall have been concluded or adjourned)
Effective date of Share Subdivision . . . . .	13 June 2008
Dealing in Subdivided Shares expected to commence on . . . . .	9:30 a.m. on 13 June 2008
Original counter for trading in Existing Shares in board lots of 2,000 Existing Shares temporarily closes . . . . .	9:30 a.m. on 13 June 2008
Temporary counter for trading in board lots of 8,000 Subdivided Shares (in the form of certificates for Existing Shares (in pink)) opens . . . . .	9:30 a.m. on 13 June 2008
First day of free exchange of certificates for Existing Shares (in pink) for new certificates for Subdivided Shares (in light blue) . . . . .	13 June 2008
Original counter for trading in Subdivided Shares in board lots of 2,000 Subdivided Shares (in the form of new certificates for Subdivided Shares (in light blue)) re-opens . . . . .	9:30 a.m. on 30 June 2008
Parallel trading in Subdivided Shares (in the form of new certificates for Subdivided Shares (in light blue) and certificates for Existing Shares (in pink)) commences . . . . .	9:30 a.m. on 30 June 2008
Temporary counter for trading in board lots of 8,000 Subdivided Shares (in the form of certificates for Existing Shares (in pink)) closes . . . . .	4:00 p.m. on 22 July 2008
Parallel trading in Subdivided Shares (in the form of new certificates for Subdivided Shares (in light blue) and certificates for Existing Shares (in pink)) ends . . . . .	4:00 p.m. on 22 July 2008
Last day for free exchange of certificates for Existing Shares (in pink) for new certificates for Subdivided Shares (in light blue) . . . . .	25 July 2008

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## LETTER FROM THE BOARD

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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)

*Non-executive Director:*

Kong Qingping (*Chairman*)

*Executive Directors:*

Zhou Yong (*Vice-chairman and Chief Executive Officer*)

Yip Chung Nam

Fu He

Zhou Hancheng

Cheong Chit Sun

*Independent Non-executive Directors:*

Raymond Ho Chung Tai

Adrian David Li Man Kiu

Raymond Leung Hai Ming

Lee Shing See

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal place of business*

*in Hong Kong:*

28th Floor

China Overseas Building

139 Hennessy Road

Wanchai

Hong Kong

21 May 2008

*To the Shareholders and Warrantholders*

Dear Sir or Madam,

### PROPOSED SHARE SUBDIVISION

#### 1. INTRODUCTION

It was announced in the Announcement that the Company intends to put forward to the Shareholders for approval on the proposal relating to the Share Subdivision. The purpose of this circular is to provide you with details of the details of the Share Subdivision, trading arrangements in respect of the Subdivided Shares and procedure for the free exchange of existing share certificates and to give you notice of the EGM to be held on Thursday, 12 June 2008 at 4:20 p.m. (or as soon thereafter as the annual general meeting of the Company convened for the same place and date at 4:00 p.m. shall have been concluded or adjourned), to consider and, if thought fit, approve the Share Subdivision.

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## LETTER FROM THE BOARD

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### 2. PROPOSED SHARE SUBDIVISION

The Board proposes that each of the existing issued and unissued shares of HK\$0.10 each in the share capital of the Company shall be subdivided into 4 Subdivided Shares of HK\$0.025 each. The Share Subdivision will become effective upon the fulfilment of the conditions set out below.

The Existing Shares are currently traded in board lots of 2,000 shares. There will be no change to the board lots upon the Share Subdivision becoming effective.

### 3. CONDITIONS OF THE SHARE SUBDIVISION

The Share Subdivision is conditional upon:

- (i) the Shareholders approving the Share Subdivision at a duly convened EGM of the Company; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subdivided Shares and any Subdivided Shares which may fall to be issued pursuant to the exercise of Warrants or share options under the Share Option Scheme.

### 4. SHARE CAPITAL STRUCTURE

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$1,500,000,000, divided into 15,000,000,000 Existing Shares, of which 609,585,769 Existing Shares are in issue and fully paid. Assuming that no further Existing Shares will be issued or repurchased after the Latest Practicable Date and prior to the Share Subdivision becoming effective, the effect of the Share Subdivision is set out as follows:

	Prior to the Share Subdivision	After the Share Subdivision
Par value of each share	HK\$0.10	HK\$0.025
Number of authorised shares	15,000,000,000	60,000,000,000
Authorised share capital	HK\$1,500,000,000	HK\$1,500,000,000
Number of shares in issue	609,585,769	2,438,343,076
Issued share capital	HK\$60,958,576.90	HK\$60,958,576.90
Number of unissued shares	14,390,414,231	57,561,656,924
Unissued share capital	HK\$1,439,041,423.10	HK\$1,439,041,423.10

The Subdivided Shares will rank *pari passu* in all respects with each other and the Share Subdivision will not result in any change in the relative rights of the Shareholders.

The Share Subdivision after it has become effective will not result in any odd lots other than those which already exist.

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## LETTER FROM THE BOARD

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### 5. ADJUSTMENTS TO WARRANTS AND SHARE OPTIONS

Adjustments are required to be made to the exercise prices and the number of shares of the Company falling to be issued upon exercise of the Warrants issued by the Company and the share options granted under the Share Option Scheme as a result of the Share Subdivision.

The subscription price of the subscription rights attaching to the Warrants will be adjusted in such manner as the Company's auditors shall certify to the Board to be in agreement with the terms of the Warrants. Upon the Share Subdivision becoming unconditional, the number and the subscription price of the Warrants will be adjusted as follows:

<b>Amount of Warrants outstanding as at the Latest Practicable Date HK\$</b>	<b>Subscription price per Existing Share before adjustment HK\$</b>	<b>Adjusted subscription price per Subdivided Share HK\$</b>	<b>Adjusted number of Subdivided Shares on exercise of Warrants</b>	<b>Exercise period</b>
1,305,614,805	15.00	3.75	348,163,948	28 February 2008 to 27 February 2009

The number and exercise price of the exercise rights attaching to the share options will be adjusted in such manner as the Company's auditors shall certify to the Board to be in agreement with the terms of the Share Option Scheme. Upon the Share Subdivision becoming unconditional, the number and the exercise price of the share options will be adjusted as follows:

<b>Number of share options outstanding as at the Latest Practicable Date</b>	<b>Exercise price per Existing Share before adjustment HK\$</b>	<b>Adjusted exercise price per Subdivided Share HK\$</b>	<b>Adjusted number of share options after Share Subdivision</b>	<b>Exercise period</b>
32,256,200	0.99	0.2475	129,024,800	14 September 2006 to 13 September 2015

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## LETTER FROM THE BOARD

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### 6. FREE EXCHANGE OF SHARE CERTIFICATES

The Shareholders may, on or after 13 June 2008 until 25 July 2008, submit existing share certificates (in pink) in respect of the Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong to exchange at the expense of the Company, for the new share certificates for the Subdivided Shares (in light blue). After the expiry of such period, share certificates for the Existing Shares (in pink) will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be permitted under the Listing Rules) per existing certificate or new certificate, by reference to the higher number of certificates may be. It is expected that new share certificates for the Subdivided Shares (in light blue) will be available for collection on or after the 10th Business Day from the date of submission of the share certificates for the Existing Shares (in pink) to the Company's branch share registrar in Hong Kong at the above address.

The share certificates for Existing Shares (in pink) will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Tuesday, 22 July 2008 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the share certificates for Existing Shares (in pink) in board lot of 2,000 Existing Shares each will continue to be evidence of title to such shares of the Company and may be exchanged for new share certificates for Subdivided Shares (in light blue) at any time.

### 7. LISTING AND DEALING

An application has been made to the Stock Exchange for the listing of and permission to deal in the Subdivided Shares and any Subdivided Shares which may fall to be issued pursuant to the exercise of Warrants or share options under the Share Option Scheme.

Subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading date is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

### 8. TRADING ARRANGEMENT FOR SUBDIVIDED SHARES

Subject to the Share Subdivision becoming effective, dealings in the Subdivided Shares are expected to commence on Friday, 13 June 2008. Parallel trading arrangement will be established with the Stock Exchange and will be operated from Monday, 30 June 2008 to Tuesday, 22 July 2008 (both days inclusive). Full details of the expected timetable and trading arrangements are set out on page 3 this circular.

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## LETTER FROM THE BOARD

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### 9. REASONS FOR THE SHARE SUBDIVISION

The Board believes that the Share Subdivision may facilitate trading and improve the liquidity of the Subdivided Shares, thereby enabling the Company to attract more investors and broaden its shareholder base. Accordingly, the Board considers that the Share Subdivision will be in the interests of the Company and the Shareholders as a whole.

Save for the costs to be incurred by the Company in implementing the Share Subdivision, the Share Subdivision will not alter the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders. The Board considers that the Share Subdivision will not have any adverse effect on the financial position of the Company.

### 10. EGM

A notice convening the EGM to be held at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 12 June 2008 at 4:20 p.m. (or as soon thereafter as the annual general meeting of the Company convened for the same place and date at 4:00 p.m. shall have been concluded or adjourned) is set out on pages 10 to 11 of this circular for the purpose of considering and, if thought fit, passing, the resolution in respect of the Share Subdivision.

A form of proxy for use by the Shareholders at the EGM is enclosed. Whether or not you are able to attend the meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event, not later than 48 hours before the time appointed for holding such meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so wish.

Pursuant to article 66 of the articles of association of the Company, a poll may be demanded by the chairman of such meeting or by:

- (a) at least 3 Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (b) any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or

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## LETTER FROM THE BOARD

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- (c) a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or
- (d) if required by the rules of the designated stock exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

Your attention is also drawn to the notice of the EGM.

### 11. RECOMMENDATION

The Directors consider that the proposed ordinary resolution for the approval of the Share Subdivision is in the interests of the Company and its Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM.

### 12. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

### 13. GENERAL

The Company is principally engaged in the building construction and civil engineering business.

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

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NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of the shareholders of China State Construction International Holdings Limited (the “**Company**”) will be held at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 12 June 2008 at 4:20 p.m. (or as soon thereafter as the annual general meeting of the Company convened for the same place and date at 4:00 p.m. shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution of the Company:

**ORDINARY RESOLUTION**

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granted the listing of, and permission to deal in, the Subdivided Shares (as hereinafter defined), each of the issued and unissued shares of HK\$0.10 in the share capital of the Company be and are hereby subdivided (“**Share Subdivision**”) into four shares of HK\$0.025 each (the “**Subdivided Shares**”) with effect from the next day immediately following the day on which this resolution is passed and the directors of the Company be and are hereby authorised to issue new share certificates in respect of the Subdivided Shares to holders of the shares of the Company and to do all things and execute all documents as they shall in their absolute opinion deem necessary or expedient in connection with or incidental to the Share Subdivision.”

By Order of the Board

**China State Construction International Holdings Limited**

**Kong Qingping**

*Chairman and Non-executive Director*

Hong Kong, 21 May 2008

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Notes:*

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged at the office of the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).
5. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.
7. The register of members of the Company will be closed from Friday, 6 June 2008 to Thursday, 12 June 2008 (both days inclusive), during which period, no transfer of shares will be effected. Shareholders whose names appear on the register of members of the Company on the day of the extraordinary general meeting are entitled to attend the extraordinary general meeting.