



中 建 集 团 有 限 公 司

CHINA CONSTRUCTION HOLDINGS LIMITED

ARBN 069 506 154 LISTED IN AUSTRALIA

31 March 2006

Company Announcement Office
Australian Stock Exchange

By e-Lodge Announcements

Dear Sir/Madam,

China Construction Holdings Limited ("CIH") (the "Company") – Current Situation

CIH has been suspended from trading on the ASX since March 2001 on receipt of a winding up order from floating rate noteholders. The debt restructuring programme was successfully completed in July 2003, and the winding up order was dropped. Preparation of audited accounts commenced in 2004 for release of outstanding accounts to shareholders, and for relisting purpose of the CIH shares.

Payments of annual listing fees were made each year, as when due, in order to retain the listing status of the company to protect the investment interest of all shareholders.

The audited accounts in draft form have been presented by the auditors. There are items material and audit queries to be removed and answered. Further time is needed for the directors to agree with the auditors on major PRC issues affecting the accounts in order that the auditors are satisfied before the accounts are signed. It is anticipated that the annual report and accounts made up to 30/6/2006 will be finalized and settled on or before 31/8/2006.

In November 2001, the Company, through its subsidiary, has instituted legal proceedings No. 8253 of 2001 in the Supreme Court of Victoria at Melbourne, Australia, against Sino Business Services Pty Ltd. (which is now in liquidation), to claim for the amount of A\$46,000,000 due by them arising from the disposal to them on 26/6/1997 of the Dalian project in the People's Republic of China ("PRC"). Judgment in our favour was awarded on 26/3/2004 by the Supreme Court of Victoria at Melbourne. In the General Form of Judgement given on 2/4/2004, the amount of the judgement is in the sum of A\$46,000,000 together with damages in the nature of interest in the sum of A\$20,899,797.-

Further legal action was taken in Hong Kong under HCA 1294 of 2005 to claim for the return of the two offshore companies, which owned the land titles in Dalian, PRC. On 24/3/2006, the Hong Kong Special Administrative Region Court of First Instance has ordered summary judgement in our favour together with consequential orders, which is a major step to allow the Company to commence legal action in offshore jurisdictions to claim return of those shares.

Further announcement will be made in due course.

Yours faithfully,
For and on behalf of
China Construction Holdings Limited



Shan Chang
Managing Director

Hong Kong Office

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