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CNQC INTERNATIONAL HOLDINGS LIMITED

青建國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1240)

ANNOUNCEMENT

- (1) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION**
- (2) REVERSE TAKEOVER INVOLVING A NEW LISTING APPLICATION**
- (3) APPLICATION FOR WHITEWASH WAIVER**
- (4) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**
- (5) PROPOSED GRANT OF SPECIFIC MANDATE**

**Financial adviser to the Company
in respect of the Acquisition**



The Hongkong and Shanghai Banking Corporation Limited

**Independent financial adviser to the Independent Board Committee
and to the Independent Shareholders**

ALTUS CAPITAL LIMITED

THE ACQUISITION AND THE ISSUE OF THE CPS

The Board is pleased to announce that on 23 May 2015, the Company (as the purchaser) and Guotsing SG (as the seller) entered into the Share Purchase Agreement pursuant to which the Company has conditionally agreed to acquire, and Guotsing SG has conditionally agreed to sell or procure to be sold the entire issued share capital in the Target Company on the terms and subject to the conditions set out in the Share Purchase Agreement. The Target Group is primarily engaged in property development and construction businesses in Singapore.

The Consideration is HK\$2,617,650,000, to be settled through the issuance and allotment by the Company of: (i) 647,273,454 CPS to Guotsing SG (or New Guotsing Holdco as Guotsing SG may direct) and (ii) 304,599,273 CPS to Guotsing SG (or the Trustee or a company to be held by the Trustee as Guotsing SG may direct) at the Issue Price of HK\$2.75 per CPS. The Trustee shall hold such 304,599,273 CPS on trust for the Selected Participants in accordance with the terms and conditions of the Management Share Scheme.

IMPLICATIONS UNDER THE LISTING RULES

The Acquisition constitutes:

- (a) a very substantial acquisition for the Company under Rule 14.06(5) of the Listing Rules as one or more of the relevant percentage ratios under Rule 14.07 of the Listing Rules are over 100% for the Company in relation to the Acquisition;
- (b) a connected transaction of the Company under Chapter 14A of the Listing Rules, as Guotsing SG, the seller of the Acquisition, is a connected person of the Company by virtue of being an associate of CNQC Development, a substantial shareholder of the Company; and
- (c) a reverse takeover of the Company under Rule 14.06(6)(b) of the Listing Rules on the basis that the Acquisition (i) constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and (ii) involves an acquisition of assets by the Company from Guotsing SG (being an associate of CNQC Development) within 24 months of CNQC Development gaining control (as defined in the Takeovers Code) of the Company;

and accordingly, the Acquisition is subject to the approval of the Independent Shareholders at the EGM.

In addition, as the Acquisition constitutes a reverse takeover of the Company, the Company is being treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules. The Acquisition is therefore also subject to the approval of the Listing Committee of a new listing application which is expect to be made by the Company as soon as practicable after the date of this announcement. Such new listing application is required to comply with all the requirements under the Listing Rules, in particular the requirements under Chapters 8 and 9 of the Listing Rules.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER

As disclosed in the section headed “Reorganisation” below, it is proposed that Guotsing Group will undergo an internal reorganisation prior to Completion whereby, amongst others, New Guotsing Holdco will be established by the ultimate beneficial owners of Guotsing PRC for holding the CPS to be allotted and issued by the Company as part of the Consideration for the Acquisition at Completion. New Guotsing Holdco will be controlled (as defined under the Takeovers Code) by Dr. Du, the chairman and a director of the Company, upon completion of the Reorganisation. New Guotsing Holdco will make an application to the Executive for the grant of the Whitewash Waiver pursuant to Note 1 on dispensation from Rule 26 of the Takeovers Code. If the Whitewash Waiver is granted by the Executive, it would not be required to make a mandatory offer which would otherwise be required as a result of New Guotsing Holdco, upon conversion of the CPS, holding the Conversion Shares pursuant to the Acquisition. **If the Whitewash Waiver is not granted, the Share Purchase Agreement will not become unconditional and the Acquisition will not proceed.**

WARNING

The Acquisition is subject to a number of conditions including approval by the Independent Shareholders, which may or may not be fulfilled. In addition, the Listing Committee’s approval to the new listing application to be made by the Company may or may not be granted. In the event that the approval of the new listing application is not granted by the Listing Committee, the Share Purchase Agreement will not become unconditional and the Acquisition will not proceed.

THE SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD EXERCISE CAUTION WHEN DEALING OR CONTEMPLATING IN DEALING IN THE SHARES, OR IN ANY OTHER SECURITIES OF THE COMPANY.

(I) INTRODUCTION

The Board is pleased to announce that the Company (as the purchaser) and Guotsing SG (as the seller) entered into the Share Purchase Agreement pursuant to which the Company has conditionally agreed to acquire, and Guotsing SG has conditionally agreed to sell or procure to be sold, the entire issued share capital in the Target Company on the terms and subject to the conditions set out in the Share Purchase Agreement.

Upon completion of the Acquisition, the Company will hold, indirectly, the entire issued share capital of CNQC (South Pacific) which, together with its subsidiaries, is engaged in the property development business and construction business in Singapore. Please refer to the section headed “Information on the Target Group” for further details of the Target Group.

Details of the Acquisition and the Share Purchase Agreement are set out below:

(II) THE ACQUISITION

The Share Purchase Agreement

Date: 23 May 2015

Parties

- (1) the Company (as the purchaser)
- (2) Guotsing SG (as the seller)

Guotsing SG is an investment holding company and a wholly-owned subsidiary of Guotsing PRC. As at the date of this announcement, Guotsing SG indirectly holds 224,145,000 Shares, representing approximately 74.72% of the total issued share capital of the Company. Further information on Guotsing SG and Guotsing PRC is set out in the section headed “Information on the Company, Guotsing PRC, Guotsing SG and the Target Company” below.

Subject matter

The Company has conditionally agreed to acquire from Guotsing SG the Sale Shares, which represent the entire issued share capital of the Target Company.

Consideration

The Consideration shall be HK\$2,617,650,000, which shall be satisfied by the issuance and allotment by the Company at the Issue Price at Completion of an aggregate of 951,872,727 CPS of which: (i) 647,273,454 CPS (representing approximately 68% of the total number of Consideration Shares) will be issued and allotted to Guotsing SG (or New Guotsing Holdco as Guotsing SG may direct); and (ii) 304,599,273 CPS (representing approximately 32% of the total number of Consideration Shares) will be issued and allotted to Guotsing SG (or the Trustee or a company to be held by the Trustee as Guotsing SG may direct). The Trustee shall hold such 304,599,273 CPS on trust for the Selected Participants in accordance with the terms and conditions of the Management Share Scheme. Further details regarding the Management Share Scheme is set out in the section headed “(XI) Management Share Scheme” in this announcement.

Basis of the Consideration

The Consideration was determined after arm’s length negotiation between the parties to the Share Purchase Agreement having regard to the market value of the property development projects of the Target Group, the financial performance and prospect of the business of the Target Group, results and market value of comparable companies, and the benefits to the Group following Completion.

Conditions precedent

Completion of the Acquisition is conditional upon the satisfaction (or, if applicable, the waiver) of the following conditions:

- (a) approval having been obtained at the EGM from the Independent Shareholders by way of poll for, *inter alia* (i) the Acquisition and the terms of the Share Purchase Agreement; (ii) the proposed grant of a Specific Mandate; (iii) the proposed increase in the authorised share capital of the Company; (iv) the Whitewash Waiver; and (v) the entering into of certain non-exempt continuing connected transactions by the Company upon Completion;
- (b) all necessary licences, consents, approvals, authorisations, permissions, waivers, orders, exemptions or notifications of, among others, creditors and shareholders of the Target Group, other relevant third parties and/or governmental or regulatory authorities or bodies (including relevant authorities in Singapore, the PRC, Hong Kong, the BVI and the Cayman Islands), which are required for the execution and performance of the Share Purchase Agreement or Completion having been obtained and not having been revoked prior to Completion;
- (c) no relevant governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that restrict or prohibit the implementation of the transactions contemplated under the Share Purchase Agreement;
- (d) approval in principle having been obtained from the Listing Committee for the new listing application by the Company in relation to the Acquisition and not having been revoked or withdrawn;
- (e) approval having been obtained from the Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Main Board of the Stock Exchange;
- (f) the Executive having granted the Whitewash Waiver to the Company, and the Whitewash Waiver remaining valid;
- (g) the warranties given by the Company remaining true and accurate and not misleading in any material respect as if they were repeated at any time prior to Completion by reference to the facts and circumstances then existing;
- (h) the warranties given by Guotsing SG remaining true and accurate and not misleading in any material respect as if they were repeated at any time prior to Completion by reference to the facts and circumstances then existing;
- (i) no material adverse change or prospective material adverse change in the business, operations, financial condition or prospects of any of the members of the Target Group having occurred since 31 December 2014;

- (j) Guotsing SG having performed and complied with all agreements, obligations and conditions contained in the Share Purchase Agreement that are required to be performed or complied with by it on or before Completion;
- (k) the Company having conducted and completed due diligence on all business, legal and financial matters, and all such other matters as deemed necessary by the Company in its absolute discretion, in relation to the Target Group, and the Company being satisfied with the results of such due diligence in its absolute discretion;
- (l) the Reorganisation being duly completed in compliance with all applicable laws and regulations, to the satisfaction of the Company; and
- (m) Guotsing SG having delivered to the Company a certificate signed by one of its directors certifying that the conditions set out in the Share Purchase Agreement have been fulfilled.

Neither the Company nor Guotsing SG shall have the right to waive any of the conditions set out in paragraphs (a) to (f) above. The Company may at its discretion waive any of the conditions set out in paragraphs (h) to (m), and Guotsing SG may at its discretion waive the condition set out in paragraph (g). The above conditions are expected to be satisfied or waived on or before 31 March 2016 (or such later date as the parties to the Share Purchase Agreement may agree in writing). If any of the conditions has not been satisfied or waived by then, the Share Purchase Agreement shall be terminated and no party shall have any claim against any of the others, except in respect of any antecedent breach of the terms thereof.

Completion

Completion of the Acquisition is expected to take place on the second business day (or such other date as the parties to the Share Purchase Agreement shall agree) after all the conditions to the Share Purchase Agreement as set out in the section headed “Conditions precedent” above have either been fulfilled or (as the case may be) waived.

Following Completion, New Guotsing Holdco will hold 647,273,454 CPS to be allotted and issued by the Company and the Trustee will hold 304,599,273 CPS on trust for the Selected Participants in accordance with the terms and conditions of the Management Share Scheme. As the CPS are non-voting (except for resolutions to be proposed at a general meeting for the winding-up of the Company or resolutions which if passed would vary or abrogate the rights or privileges of the CPS or vary the restrictions to which the CPS are subject) and would not be convertible into Shares unless upon conversion the Company can meet the minimum public float requirement under Rule 8.08 of the Listing Rules, CNQC Development will remain as the controlling shareholder of the Company immediately following Completion. The Target Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Enlarged Group.

(III) INFORMATION ON THE CONVERSION SHARES AND THE CPS

The Conversion Shares

The Conversion Shares to be issued upon conversion of the CPS will be issued as fully paid and will rank pari passu in all respects with the Shares in issue as at the date of conversion.

Application for listing

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in the Conversion Shares.

The CPS

The major terms of the CPS are as follows:

- Nominal value: Non-redeemable convertible preference shares of HK\$0.01 each to be created as a new class of shares in the share capital of the Company upon Completion.
- Conversion ratio: The CPS shall be convertible, without the payment of any additional consideration therefor, into such number of fully-paid Shares at the conversion ratio of one CPS for one Share.
- Conversion rights: Holders of CPS will have the right to convert all or such number of CPS into Conversion Shares at any time after the issuance of the CPS, provided that they may not exercise the conversion rights as to such number of CPS the conversion of which would result in the Company not meeting the minimum public float requirement under Rule 8.08 of the Listing Rules or any of the Shareholders having triggered any mandatory general offer obligation under Rule 26 of the Takeovers Code (unless a waiver from strict compliance with such requirement has been obtained).
- Redemption: The CPS shall be non-redeemable by the Company or their holders.
- Preferred Distribution: Subject to compliance with all applicable laws and the Articles, each CPS shall confer on its holder the right to receive a preferred distribution (“**Preferred Distribution**”) from the date of the issue of the CPS at a rate of 0.01% per annum on the Issue Price, payable annually in arrears. Each Preferred Distribution is non-cumulative.

- Deferral or Non-payment of Preferred Distribution: The Board may, in its sole discretion, elect to defer or not to pay a Preferred Distribution. No interest accrues on any unpaid Preferred Distribution. If the Board elects to defer or not to pay a Preferred Distribution, the Company shall not pay any dividends, distributions or make any other payment on any Shares, unless at the same time it pays to the holders of CPS any deferred or unpaid Preferred Distribution which was scheduled to be paid on a day falling in the same financial year in respect of which payment of such dividends, distributions or other payments is made.
- Dividend: Each CPS shall confer on its holder the right to receive, in addition to the Preferred Distribution, any dividend *pari passu* with holders of Shares on the basis of the number of Share(s) into which each CPS may be converted and on an *as converted* basis.
- Distribution of Assets: The holders of the CPS shall have priority over the Shareholders on the assets and funds of the Company available for distribution in a distribution of assets on liquidation, winding-up or dissolution of the Company (but not on conversion of CPS or any repurchase by the Company of CPS or Shares).
- Voting rights: The holders of the CPS shall be entitled to receive notices of and to attend general meetings of the Company, but the CPS shall not confer on their holders the right to vote at a general meeting of the Company, unless a resolution is to be proposed at a general meeting for the winding-up of the Company or a resolution is to be proposed which if passed would vary or abrogate the rights or privileges of the CPS or vary the restrictions to which the CPS are subject.
- Transferability: The CPS (including the Conversion Shares once converted from the CPS) may be transferred by their holders without restriction.
- Ranking: Save and except for the voting rights, distribution entitlements upon liquidation, winding-up or dissolution of the Company, the Preferred Distribution rights and other rights set out above, each CPS shall have the same rights as each of the Shares.
- The Conversion Shares will be issued as fully paid and will rank *pari passu* in all respects with the Shares in issue as at the date of the conversion.

Adjustment: If and whenever the Shares are consolidated or sub-divided into a different nominal amount, then the same consolidation or sub-division shall be effected on the CPS, in which the conversion ratio shall remain as one CPS for one Share (as consolidated or sub-divided, as the case may be).

Listing: No listing will be sought for the CPS on the Stock Exchange or any other stock exchange. However, an application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.

The Issue Price

The Issue Price of HK\$2.75 per CPS represents:

- (a) a discount of approximately 19.6% to the closing price of the Shares of HK\$3.42 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 20.5% to the average of the closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$3.46 per Share;
- (c) a discount of approximately 19.1% to the average of the closing price of the Shares as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of approximately HK\$3.40 per Share;
- (d) a discount of approximately 15.1% to the average of the closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$3.24 per Share; and
- (e) a premium of approximately 123.6% to the audited net asset value per Share of the Company as at 31 December 2014 of HK\$1.23.

(IV) REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors consider the Acquisition will enable the Company to expand from its existing foundation business in Hong Kong and Macao into property development and construction industries in Singapore. The integrated business model covering the full industry chain is expected to increase the cost efficiency and enhance the competitive advantages of the Company. The fund raising and financing capabilities of the Company will also be improved, which will pave the ways for the Company to become the overseas financing and business development platform for Guotsing Group. As such, the Directors are of the view that the Acquisition will be in the interest and the Shareholders as a whole.

The Directors (excluding all the independent non-executive Directors, the opinion of which after taking into account the advice from the Independent Financial Adviser which will be included in the Circular) are of the view that the terms of the Share Purchase Agreement, which have been agreed after arm's length negotiation among the parties, are on normal commercial terms, fair and reasonable and in the interests of the

Company and the Shareholders as a whole. As Dr. Du, Mr. Zhang Zhihua and Dr. Ding Hongbin are considered to have material interests in the Acquisition, Dr. Du, Mr. Zhang Zhihua and Dr. Ding Hongbin were required to abstain from voting from the relevant resolutions of the Board. Other than these three Directors, none of the Directors has a material interest in the Acquisition or shall be required to abstain from voting from the relevant resolutions of the Board.

(V) EFFECT OF THE ACQUISITION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Details of the shareholding structure of the Company as at the date of this announcement and immediately after Completion and immediately upon conversion of all CPS held by New Guotsing Holdco (assuming that none of the options granted under the option scheme of the Company has been exercised) are set out below:

	(1)		(2)			(3)		(4)		
	As at the date of this announcement		Immediately after Completion (assuming no CPS has been converted)			Assuming no placing of new shares to public shareholders and all CPS held by New Guotsing Holdco and the Trustee are converted into Conversion Shares (for illustration only) (note 2)		Assuming a placing of 214.6 million new Shares to public shareholders and all CPS held by New Guotsing Holdco are converted into Conversion Shares (for illustration only) (note 3)		
	Number of Shares held	Approximate percentage of total issued Shares	Number of Shares held	Approximate percentage of total issued Shares	Number of CPS held (note 1)	Number of Shares held	Approximate percentage of total issued Shares	Number of Shares held	Approximate percentage of total issued Shares	Number of CPS held (note 1)
Substantial Shareholders and Directors										
CNQC Development	224,145,000	74.7%	224,145,000	74.7%	—	224,145,000	17.9%	224,145,000	19.3%	—
New Guotsing Holdco	—	—	—	—	647,273,454	647,273,454	51.7%	647,273,454	55.7%	—
<i>Subtotal of New Guotsing Concert Group</i>	224,145,000	74.7%	224,145,000	74.7%	647,273,454	871,418,454	69.6%	871,418,454	75.0%	
Trustee (note 4)	—	—	—	—	304,599,273	304,599,273	24.3%	—	—	304,599,273
	<u>224,145,000</u>	<u>74.7%</u>	<u>224,145,000</u>	<u>74.7%</u>	<u>951,872,727</u>	<u>1,176,017,727</u>	<u>93.9%</u>	<u>871,418,454</u>	<u>75.0%</u>	<u>304,599,273</u>
Public										
Public Shareholders as at the date of this announcement	75,855,000	25.3%	75,855,000	25.3%	—	75,855,000	6.1%	75,855,000	6.5%	—
New public shareholders upon placing of 214.6 million new shares by the Company under Scenario (4) (note 5)	—	—	—	—	—	—	—	214,617,819	18.5%	—
Total	<u>300,000,000</u>	<u>100.0%</u>	<u>300,000,000</u>	<u>100.0%</u>	<u>951,872,727</u>	<u>1,251,872,727</u>	<u>100.0%</u>	<u>1,161,891,273</u>	<u>100.0%</u>	<u>304,599,273</u>

Notes:

1. The CPS is convertible into Shares on a conversion ratio of 1:1.
2. This represents the shareholding structure of the Company assuming all of 951,872,727 CPS issued and allotted by the Company at Completion to New Guotsing Holdco and the Trustee (or a company to be held by the Trustee) are converted into Shares. This is for illustration purposes only and does not reflect the actual shareholding structure of the Company upon conversion of the CPS

as the exercise of the conversion rights attaching to the CPS is subject to the Company meeting the minimum public float requirement under Rule 8.08 of the Listing Rules and the conversion of CPS by the Trustee shall be subject to the conversion of all of the CPS held by New Guotsing Holdco.

3. This represents the shareholding structure of the Company after Completion, assuming that (i) the Company has issued and allotted 214.6 million new Shares to independent third parties such that the Company will meet the minimum public float requirement under Rule 8.08 of the Listing Rules upon conversion of the CPS held by New Guotsing Holdco; (ii) all 647,273,454 CPS issued to New Guotsing Holdco are converted into Conversion Shares (on a conversion ratio of 1:1); and (iii) no other change to the issued share capital of the Company. This is for illustration purposes only and does not reflect the actual shareholding structure of the Company upon conversion of the CPS as the exercise of the conversion rights attaching to the CPS is subject to the Company meeting the minimum public float requirement under Rule 8.08 of the Listing Rules and that the Company may or may not be able to successfully issue and allot such number of new Shares to the public in order for the conversion of the CPS. The purpose of assuming the placing of new Shares by the Company is solely for the purpose of calculating the maximum potential holding of voting rights of New Guotsing Holdco upon conversion of all of its CPS into Shares in accordance with the requirements under the Takeovers Code. As at the date of this announcement, the Company has not entered into any agreement with placing agents to place any new Shares.
4. This represents the Trustee to be constituted to service the Management Share Scheme. The CPS held by the Trustee shall not be converted into Shares prior to transfers to the Selected Participants.
5. This represents the public shareholders who will be holding 214.6 million new Shares on the assumption that the Company will place 214.6 million new Shares to independent third parties after Completion under Scenario (4). This is for illustration for the purpose of calculating the maximum potential holding of voting rights of New Guotsing Holdco upon conversion of all of its CPS into Shares in accordance with the requirements under the Takeovers Code. As at the date of this announcement, the Company has not entered into any agreement with placing agents to place any new Shares.

(VI) PROPOSED GRANT OF SPECIFIC MANDATE

The Company will seek the grant of a specific mandate from the Independent Shareholders at the EGM to allot and issue new Shares and new CPS to satisfy the allotment and issue of the CPS and the Conversion Shares pursuant to the terms of the Share Purchase Agreement.

(VII) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the authorised share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Shares to HK\$60,000,000 divided into 5,000,000,000 Shares and 1,000,000,000 CPS by the creation of an additional 3,000,000,000 Shares and 1,000,000,000 CPS in order to implement the Acquisition and the issue of the CPS and the Conversion Shares.

The proposed increase in authorised share capital is subject to the passing of the relevant ordinary resolution by the Shareholders at the EGM.

(VIII) CONTINUING CONNECTED TRANSACTIONS

Upon the Company acquiring the Target Group at Completion, any transaction between the Enlarged Group and the Guotsing Group (including its associates) or other connected persons of the Target Group will constitute a connected transaction or

continuing connected transaction of the Company. It is expected that, upon Completion, certain on-going transactions between the Enlarged Group and certain connected persons of the Target Group will constitute non-exempt continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will publish an announcement pursuant to Chapter 14A of the Listing Rules as soon as it enters into the agreements for the non-exempt continuing connected transactions and further details of these continuing connected transactions will be included in the Circular. In addition, if any of these continuing connected transactions constitutes a special deal under Rule 25 of the Takeovers Code, the Company will comply with the Takeovers Code and shall make further announcement(s) in this regard.

(IX) INFORMATION ON THE COMPANY, GUOTSING PRC, GUOTSING SG AND THE TARGET GROUP

Information on the Company

The Company was incorporated in the Cayman Islands and the Shares are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group is principally engaged in the foundation business and machinery rental business in Hong Kong and Macao.

In March 2014, CNQC Development acquired 75% of the total issued share capital of the Company and made a mandatory general offer for all the outstanding Shares (other than the Shares held by parties acting in concert with it) in issue at the time. Following completion of the acquisition and the mandatory general offer, there was a change in control of the Company and CNQC Development and its parent company, Guotsing PRC became the controlling shareholders of the Company. As at the date of this announcement, CNQC Development directly held 74.72% of the issued share capital of the Company.

Information on Guotsing PRC, Guotsing SG and the Target Group

Guotsing PRC was established in the PRC, which, together with its key operating subsidiary in the PRC, Qingjian Group Co., Ltd. (青建集團股份公司), is primarily engaged in domestic and international construction projects and investment, real estate development, capital management, logistics and design consulting businesses. As at the date of this announcement, Guotsing PRC is held as to (i) 41.3% by Qingdao Qingjian; (ii) as to 30% by Shanghai Heliyuan; (iii) as to 15% by Beijing Uni-land; and (iv) as to 13.7% by Qingdao Bohai.

Guotsing SG is an investment holding company incorporated in Singapore and is wholly-owned by Guotsing PRC. As at the date of this announcement, it is the sole shareholder of CNQC (South Pacific).

The Target Group comprises CNQC (South Pacific) and its subsidiaries which are primarily engaged in (i) the development and sale of quality condominiums and executive condominiums; and (ii) the provision of construction services as main contractor for both governmental authorities and private property developers in Singapore.

For each of the three years ended 31 December 2012, 2013 and 2014, the unaudited consolidated revenue of the Target Group was SGD289,602,201 (equivalent to HK\$1,684,616,003), SGD274,902,277 (equivalent to HK\$1,599,106,545) and SGD1,038,545,828 (equivalent to HK\$6,041,221,082), respectively. The unaudited consolidated net asset value of the Target Group (including net asset value attributable to non-controlling interests) as at 31 December 2014 was approximately SGD17,807,491 (equivalent to HK\$103,586,175).

The unaudited consolidated net profit/(loss) before and after taxation of the Target Group and the unaudited net profit attributable to the Shareholders for the respective periods are as follows:

	For the year ended 31 December		
	2012	2013	2014
	(SGD)	(SGD)	(SGD)
Net profit/(loss) before taxation	26,162,036 (equivalent to HK\$152,184,563)	(20,374,109) (equivalent to (HK\$118,516,192))	72,596,644 (equivalent to HK\$422,294,678)
Net profit/(loss) after taxation	22,186,258 (equivalent to HK\$129,057,463)	(16,800,612) (equivalent to (HK\$97,729,160))	60,870,337 (equivalent to HK\$354,082,750)
Net profit/(loss) attributable to the shareholders	25,418,298 (equivalent to HK\$147,858,239)	(14,353,203) (equivalent to (HK\$83,492,582))	38,871,878 (equivalent to HK\$226,117,714)

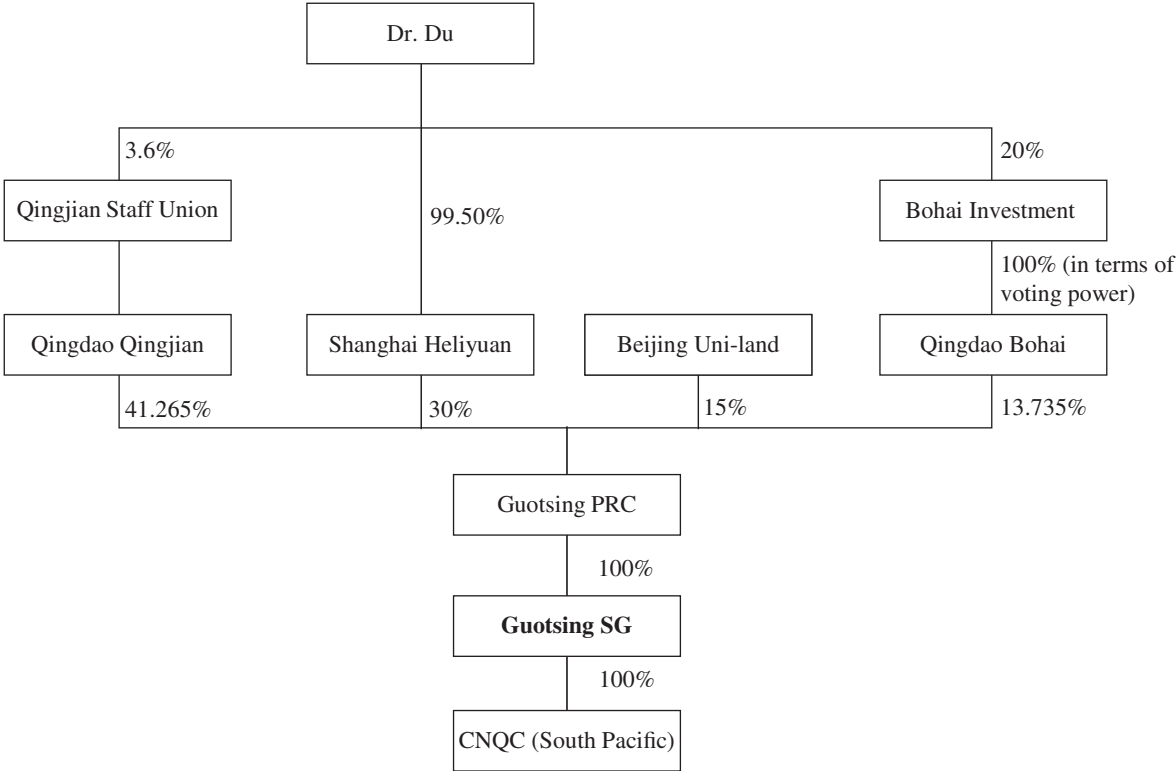
Pursuant to Rules 14.58(6) and (7) of the Listing Rules, the Company is required to disclose the above financial information relating to the Target Group in this announcement. Pursuant to Rule 10 of the Takeovers Code, the above unaudited financial information relating to the Target Group constitutes a profit estimate and should be reported on by the Company's financial adviser and reporting accountants (the "Reports") under Rule 10.4 of the Takeovers Code. However, due to the practical difficulties to include the Reports in this announcement in terms of the additional time required for the preparation of the Reports by the Company's financial advisers and reporting accountants, those financial information relating to the Target Group is not strictly in compliance with the requirements of Rule 10 of the Takeovers Code. A full set of the accountants' reports relating to the Target Group prepared under Hong Kong Financial Reporting Standards, which will be in full compliance with the requirements of the Takeovers Code, will be included in the Circular to be issued by the Company to the Shareholders. Shareholders should note that there may be differences between the financial information relating to the Target Group as presented in this announcement and the financial information to be presented in the Circular to be issued by the Company to the Shareholders.

The Company would like to draw to the attention of the Shareholders and potential investors that the above unaudited financial information in relation to the Target Group does not meet the standard required by Rule 10 of the Takeovers Code and is subject to review by the reporting accountants of the Company and therefore subject to change. Shareholders and potential investors should exercise caution in placing reliance on the above information in assessing the merits and demerits of the Acquisition, the Share Purchase Agreement, the Whitewash Waiver and other transactions disclosed in this announcement and/or when dealing in the Shares.

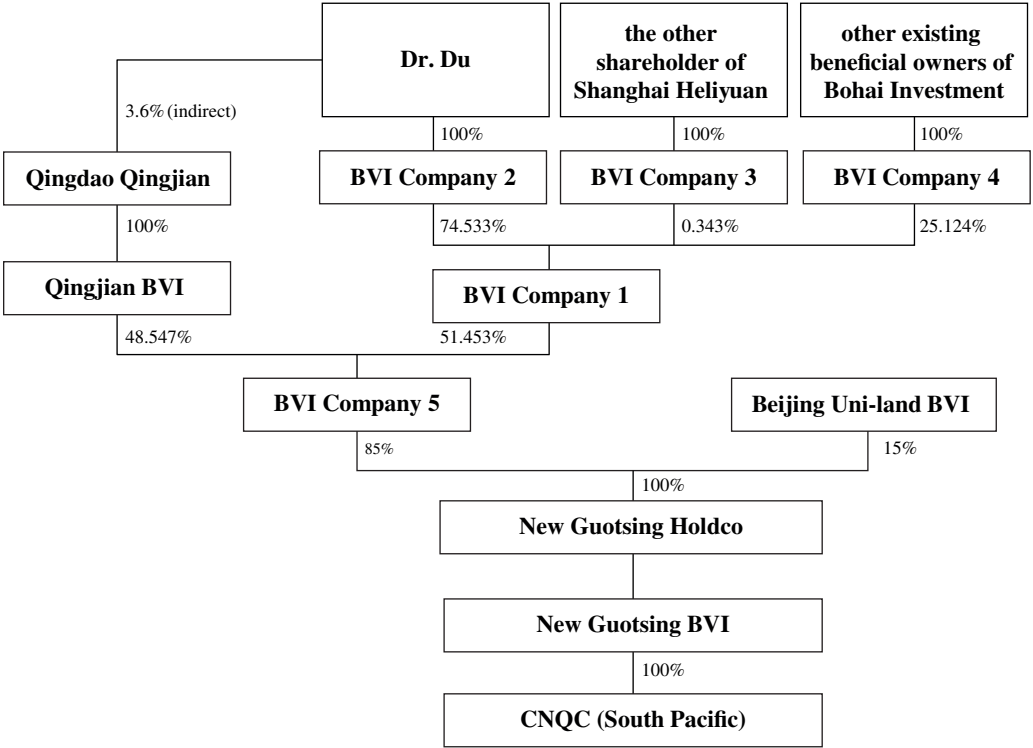
(X) REORGANISATION

Guotsing Group will carry out an internal reorganisation which involves (i) the establishment of an offshore special purpose investment vehicle, New Guotsing Holdco, and its wholly-owned subsidiary, New Guotsing BVI; and (ii) the transfer of the entire issued share capital of CNQC (South Pacific) from Guotsing SG to New Guotsing BVI prior to Completion. Upon completion of the Reorganisation, New Guotsing BVI will become the Target Company, holding the entire issued share capital of CNQC (South Pacific), the subject matter of the Acquisition. Guotsing SG shall nominate New Guotsing Holdco to take up 68% of the CPS to be allotted and issued by the Company as consideration at Completion. New Guotsing Holdco will be established by the ultimate beneficial owners of Guotsing PRC on the basis that the effective beneficial interests held by each ultimate beneficial owner of Guotsing PRC in New Guotsing Holdco shall correspond to their respective effective beneficial interest in Guotsing PRC. Dr. Du will consolidate all his interests previously held through Shanghai Heliyuan and Qingdao Bohai into one offshore company. As a result, New Guotsing Holdco will be controlled (as defined under the Takeovers Code) by Dr. Du, the chairman and a director of the Company, upon completion of the Reorganisation. The following charts illustrate the shareholding structure of CNQC (South Pacific) before and after the Reorganisation and the shareholding and company structure of the Company upon Completion:

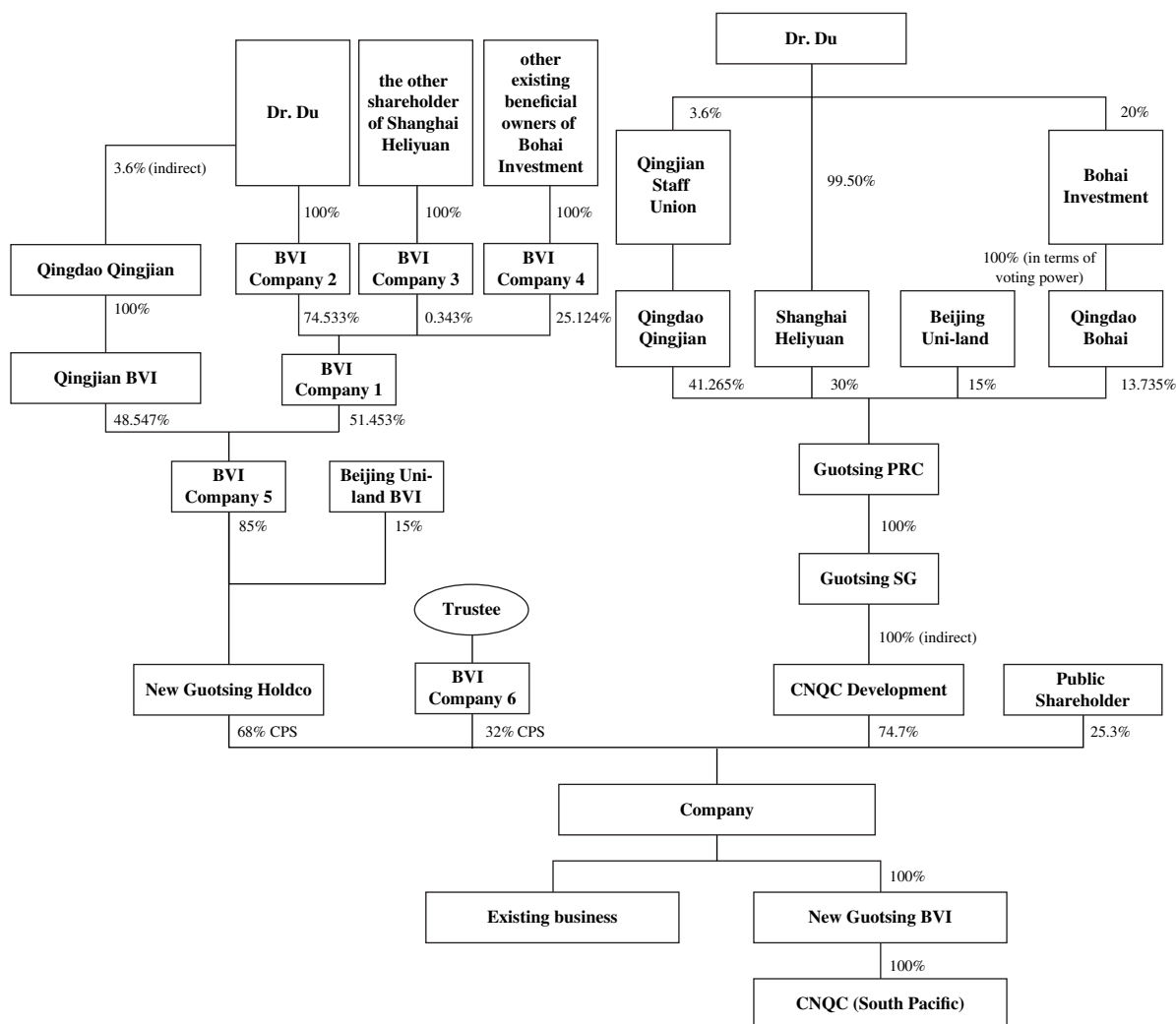
Shareholding structure of CNQC (South Pacific) and as at the date of this announcement:



Shareholding structure of CNQC (South Pacific) immediately upon completion of the Reorganisation but before Completion:



Shareholding and corporate structure of the Company immediately after Completion (assuming no CPS has been converted and no option granted under any of the share option scheme of the Company has been exercised):



(XI) MANAGEMENT SHARE SCHEME

CNQC (South Pacific) had granted rights (“**Rights**”) to the Selected Participants to subscribe for up to 12,000,000 shares of CNQC (South Pacific), representing 32% of the total enlarged issued share capital of CNQC (South Pacific) (“**Pre-existing Management Scheme**”). The Selected Participants comprise senior management and employees of the Guotsing Group who have made contributions to the development of the Guotsing Group. As at the date of the Share Purchase Agreement, no Selected Participant has exercised any of the Rights. It is part of the commercial arrangement between the parties that the Company and Guotsing SG shall take up the Rights by issuing and allotting 32% of the total number of the Consideration Shares to the Trust in replacement of the Pre-existing Management Scheme. Pursuant to the terms of the Share Purchase Agreement, the Trust shall be constituted on or prior to Completion whereby awards (“**Awards**”) shall be granted by the Trustee to the Selected Participants to purchase from the Trust up to a total of 304,599,273 CPS or Shares.

Such Awards shall only be exercisable after all of the CPS to be issued and allotted to Guotsing SG (or New Guotsing Holdco or any other company Guotsing SG may direct) at Completion have been converted into Shares and subject to such other vesting and terms and conditions of the Management Share Scheme. The Management Share Scheme and the Awards shall become effective immediately upon Completion, and shall replace and supersede the Pre-existing Management Scheme and the Rights. Further details regarding the Management Share Scheme will be disclosed in the Circular.

(XII) RISKS ASSOCIATED WITH THE ACQUISITION

Completion is subject to the fulfilment of conditions precedent and there is no assurance that they can be fulfilled and/or the Acquisition will be completed as contemplated.

Completion is subject to a number of conditions precedent as set out in the paragraph headed “Conditions precedent” in this announcement, some of which involve the decisions of third parties, including approvals by the Independent Shareholders at the EGM and the approval of the new listing application by the Listing Committee. As fulfilment of these conditions precedent is not within the control of the parties involved in the Acquisition, there is no assurance that they can be fulfilled and/or the Acquisition will be completed as contemplated.

The shareholding percentages of the existing Shareholders will be diluted following the issue of the new Shares upon conversion of the CPS.

Pursuant to the Share Purchase Agreement, the Company will issue 951,872,727 CPS (which are convertible into 951,872,727 Conversion Shares). Please refer to the section headed “Effect of the Acquisition on the shareholding structure of the Company” for further details of the shareholding structure of the Company upon Completion.

As a result, the shareholding percentages of the existing Shareholders in the Company would be diluted when the CPS are converted into Conversion Shares. Any value enhancement of the Shares as a result of the Acquisition may not necessarily be reflected in their market price and may not offset the dilutive effect to the Shareholders.

Other risks

The risks relating to the business of the Enlarged Group, the business, legal and regulatory environment for property development and construction in Singapore, Hong Kong and Macao and the general economic, legal and political climate of the Singapore, Hong Kong and Macao will be set out in the Circular.

(XIII) IMPLICATIONS UNDER THE LISTING RULES

The Acquisition constitutes:

- (a) a very substantial acquisition for the Company under Rule 14.06(5) of the Listing Rules as one or more of the relevant percentage ratios under Rule 14.07 of the Listing Rules are over 100% for the Company in relation to the Acquisition;

- (b) a connected transaction of the Company under Chapter 14A of the Listing Rules, as Guotsing SG, the seller of the Acquisition, is a connected person of the Company by virtue of being an associate of CNQC Development, a substantial shareholder of the Company; and
- (c) a reverse takeover of the Company under Rule 14.06(6)(b) of the Listing Rules on the basis that the Acquisition (i) constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and (ii) involves an acquisition of assets by the Company from Guotsing SG (being an associate of CNQC Development) within 24 months of CNQC Development gaining control (as defined in the Takeovers Code) of the Company.

Accordingly, the Acquisition is subject to the approval of the Independent Shareholders at the EGM. CNQC Development and its associates, and any person who has a material interest in the Acquisition are required to abstain from voting on the relevant resolution(s) to be proposed at the EGM to approve, among others, the Acquisition.

In addition, as the Acquisition constitutes a reverse takeover of the Company, the Company is being treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules. The Acquisition is therefore also subject to the approval of the Listing Committee of a new listing application to be made by the Company. Such new listing application is required to comply with all the requirements under the Listing Rules, in particular the requirements under Chapters 8 and 9 of the Listing Rules. As at the date of this announcement, the new listing application has not yet been submitted to the Stock Exchange, and the Company will initiate the new listing application process as soon as practicable.

(XIV) IMPLICATION UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER

As disclosed in the sub-section headed “Reorganisation” above, it is proposed that Guotsing Group will undergo an internal reorganisation prior to Completion whereby, amongst others, New Guotsing Holdco will be established by the ultimate beneficial owners of Guotsing PRC for holding the CPS to be allotted and issued by the Company at Completion. As set out in the shareholding structure upon completion of the Reorganisation in the section headed “(X) Reorganisation” above, as Dr. Du has statutory control of BVI Company 2 which in turn has statutory control over BVI Company 1, BVI Company 5 and New Guotsing Holdco, respectively, New Guotsing Holdco will be controlled (as defined under the Takeovers Code) by Dr. Du, the chairman and an executive director of the Company, after completion of the Reorganisation. Upon Completion, New Guotsing Holdco will be interested in 647,273,454 CPS which, upon conversion in full (based on the assumption that all of the CPS held by New Guotsing Holdco have been converted into Shares notwithstanding that the Company will not be able to meet the public float requirement under Rule 8.08 of the Listing Rules upon such conversion and that none of the other outstanding options of the Company or the CPS held by the Trustee (or a company held by the Trustee) will be exercised or converted), will be interested in 68.33% of the enlarged issued share capital of the Company, or (based on an assumption that the Company shall be able to issue and allot 215 million new Shares upon Completion to

independent third parties such that the public float requirement stated under Rule 8.08 of the Listing Rules will be satisfied upon conversion of the CPS held by New Guotsing Holdco and that none of the other outstanding options of the Company or CPS will be exercised or converted) will be interested in approximately 55.7% of the enlarged issued share capital of the Company at such time. As a result, New Guotsing Holdco would be required to make a mandatory general offer for all the issued shares of the Company (not already owned or agreed to be acquired by New Guotsing Holdco and its parties acting in concert) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

New Guotsing Holdco will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensation from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll, in which New Guotsing Holdco and parties acting in concert with it (including Dr. Du) and CNQC Development will abstain from voting on the relevant resolutions. If the Whitewash Waiver is granted by the Executive, New Guotsing Holdco will not be required to make a mandatory offer which will otherwise be required as a result of the conversion of 647,273,454 CPS. The Executive may or may not grant the Whitewash Waiver. If the Whitewash Waiver is not granted, the Share Purchase Agreement will not become unconditional and the Acquisition will not proceed.

Information required under the Takeovers Code

As at the date of this announcement, none of the members of the New Guotsing Concert Group:

- (a) save for CNQC Development which holds 224,145,000 Shares and the Awards to be granted to Dr. Du as disclosed under the section headed “(XI) Management Share Scheme” in this announcement, hold, control or have direction over any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) in the Company;
- (b) other than the Acquisition and the transactions contemplated under the Share Purchase Agreement, have acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company within the six months prior to the date of the Share Purchase Agreement and up to the date of this announcement;
- (c) has received any irrevocable commitment to vote for or against the Acquisition, the Share Purchase Agreement and the Whitewash Waiver;
- (d) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

- (e) has any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, which might be material to the Acquisition, the Share Purchase Agreement and the Whitewash Waiver, with other persons; and
- (f) has any agreement or arrangement to which it is a party relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Acquisition, the Share Purchase Agreement and the Whitewash Waiver.

(XV) FINANCIAL ADVISER, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Hongkong and Shanghai Banking Corporation Limited has been appointed as the financial adviser to the Company in relation to the Acquisition.

An independent board committee comprising all the independent non-executive Directors, namely, Mr. Chuck Winston Calptor, Mr. Ching Kwok Hoo, Pedro and Mr. Tam Tak Kei, Raymond, has been formed pursuant to the requirements under the Listing Rules and the Takeovers Code to advise the Independent Shareholders on matters in relation to the Acquisition, the Share Purchase Agreement, the Specific Mandate, the Whitewash Waiver and the non-exempted continuing connected transactions to be entered into by the Enlarged Group upon Completion.

Although both of Mr. Zhang Zhihua and Dr. Ding Hongbin are non-executive Directors, as Mr. Zhang Zhihua is a director of Guotsing PRC and Guotsing SG and Dr. Ding Hongbin is a director of Guotsing PRC, they are not members of the independent board committee formed pursuant to the Takeovers Code.

The Company has, with the approval of the Independent Board Committee, appointed Altus Capital Limited as the independent financial adviser in accordance with the requirements under the Listing Rules and the Takeovers Code to advise the Independent Board Committee and the Independent Shareholders on matters in relation to the Acquisition, the Share Purchase Agreement, the Specific Mandate, the Whitewash Waiver and the continuing connected transactions to be entered into by the Enlarged Group upon Completion.

(XVI) DISPATCH OF CIRCULAR

The Company will dispatch a circular in accordance with requirements under the Listing Rules and the Takeovers Code, which will contain, among other things, (i) further details of the Acquisition; (ii) the recommendation of the Independent Board Committee in relation to the Acquisition, the Share Purchase Agreement, the Specific Mandate, the Whitewash Waiver and the continuing connected transactions to be entered into by the Enlarged Group upon Completion; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) financial information of the Target Group and the Enlarged Group; (v) valuation of properties of the Target Group; and (vi) the notice of the EGM.

The Circular is subject to review and comments by the Stock Exchange and the SFC and will be dispatched to the Shareholders as soon as practicable after the Company has obtained the approval in principle from the Listing Committee with respect to the new listing application. Pursuant to Rule 8.2 of the Takeovers Code, the Circular shall be dispatched to the Shareholders within 21 days after the date of this announcement (i.e. 13 June 2015). In view of the process required in connection with the new listing application by the Company, the Company expects that the Circular will not be dispatched within the time required under Rule 8.2 of the Takeovers Code. Accordingly, the Company will apply for a waiver from the strict compliance with Rule 8.2 of the Takeovers Code and to postpone the date of dispatch of the Circular.

The Shareholders and potential investors should refer to the Circular for further details of the Acquisition and the transactions contemplated under the Share Purchase Agreement.

WARNING

The Acquisition is subject to a number of conditions including Independent Shareholders' approval, which may or may not be fulfilled. In addition, the Listing Committee's approval to the new listing application to be made by the Company may or may not be granted. In the event that the approval of the new listing application is not granted by the Listing Committee, the Share Purchase Agreement will not become unconditional and the Acquisition will not proceed.

SHAREHOLDERS OF THE COMPANY AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN THEY DEAL OR CONTEMPLATE DEALING IN THE SHARES OR OTHER SECURITIES (IF ANY) OF THE COMPANY.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Acquisition”	the sale and purchase of the Sale Shares as contemplated under the Share Purchase Agreement
“Articles”	the articles of association of the Company, as may be amended from time to time
“associates”	has the meaning given to it under the Listing Rules
“Award(s)”	has the meaning given to it under the section headed “(XI) Management Share Scheme” in this announcement
“Beijing Uni-Land”	北京紫光置地投資有限公司 (Beijing Uni-land Investment Co., Ltd), a company incorporated in PRC and owns as to 15% equity interest in Guotsing PRC, an independent third party

“Beijing Uni-Land BVI”	Tsinghua Unigroup International Co., Ltd., a limited liability company incorporated in the BVI
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“BVI Company 1”	Bliss Wave Holding Investments Limited (福濤控股投資有限公司), a limited liability company incorporated in the BVI
“BVI Company 2”	Hui Long Enterprise Limited (匯隆企業有限公司), a limited liability company incorporated in the BVI
“BVI Company 3”	Century Golden Source Investments Limited (世紀金源投資有限公司), a limited liability company incorporated in the BVI
“BVI Company 4”	Sun East Development Limited (尚東發展有限公司), a limited liability company incorporated in the BVI
“BVI Company 5”	Hao Bo Investments Limited (浩博投資有限公司), a limited liability company incorporated in the BVI
“China” or “PRC”	the People’s Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Circular”	the circular to be sent to the Shareholders in relation to the EGM containing, among others, details of the Acquisition, the Share Purchase Agreement, the Specific Mandate, the proposed increase in authorised share capital, the Whitewash Waiver and the continuing connected transactions to be entered into by the Enlarged Group upon Completion
“CNQC Development”	CNQC Development Ltd, a company incorporated in BVI with limited liability and indirectly wholly-owned by Guotsing PRC as at the date of this announcement
“CNQC (South Pacific)”	CNQC (South Pacific) Holdings Pte Ltd, a company incorporated in Singapore with limited liability and is wholly-owned by Guotsing SG as at the date of this announcement
“Company”	CNQC International Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1240)

“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Share Purchase Agreement
“Completion Date”	the date on which Completion occurs
“connected persons”	has the meaning given to it under the Listing Rules
“Consideration”	the consideration for the Sale Shares, being HK\$2,617,650,000
“Consideration Shares”	the 951,872,727 CPS to be issued and allotted by the Company for settlement of the Consideration
“controlling shareholder(s)”	has the meaning given to it under the Listing Rules
“Conversion Shares”	the new Shares to be allotted and issued by the Company upon the exercise of the conversion rights attaching to the CPS
“CPS”	the new non-redeemable convertible preference shares of HK\$0.01 each to be created as a new class of shares in the share capital of the Company upon Completion, and to be allotted and issued by the Company in settlement of the Consideration
“Director(s)”	director(s) of the Company
“Dr. Du”	Dr. Du Bo 杜波, Chairman and an executive director of the Company, chairman of the board of directors of Guotsing PRC, a director of Guotsing SG and will be the controlling shareholder of New Guotsing Holdco upon completion of the Reorganisation
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among others matters, the Acquisition, the Share Purchase Agreement, the Specific Mandate, the proposed increase in authorised share capital, the Whitewash Waiver and the non-exempted continuing connected transactions to be entered into by the Enlarged Group upon Completion
“Enlarged Group”	the Group and the Target Group
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate
“Group”	the Company and its subsidiaries

“Guotsing Group”	Guotsing PRC and its subsidiaries, including Guotsing SG and if in relation to the period upon Completion, excluding the Enlarged Group
“Guotsing PRC”	國清控股集團有限公司(Guotsing Holding Group Co. Ltd), the controlling shareholder of the Company. As at the date of this announcement, Guotsing PRC was held as to (i) 41.3% by Qingjian Staff Union (through its wholly-owned subsidiary, Qingdao Qingjian); (ii) as to 30% by Shanghai Heliyuan; (iii) as to 15% by Beijing Uni-land; and (iv) as to 13.7% by Qingdao Bohai. The ultimate controlling shareholders of Guotsing PRC are Qingdao Qingjian and Shanghai Heliyuan
“Guotsing SG”	Guotsing Holding (South Pacific) Investment Pte Ltd (國清控股(南洋)投資有限公司), a private company limited by shares and incorporated in Singapore, and is wholly-owned by Guotsing PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Chuck Winston Calptor, Mr. Ching Kwok Hoo, Pedro and Mr. Tam Tak Kei, Raymond, formed for the purpose of advising the Independent Shareholders in respect of the Acquisition, the Share Purchase Agreement, the issue of the CPS, the Whitewash Waiver and the continuing connected transactions to be entered into by the Enlarged Group upon Completion
“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed under the SFO to carry on type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO, is the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, the Share Purchase Agreement, the issue of the CPS, the Whitewash Waiver and the continuing connected transactions to be entered into by the Enlarged Group upon Completion

“Independent Shareholder(s)”	the Shareholder(s), other than (i) Guotsing SG and its associates (including CNQC Development), (ii) the New Guotsing Concert Group, (iii) those who are connected, interested in or involved in the Acquisition or the Whitewash Waiver, and (iv) those who are required under the Listing Rules and the Takeovers Code (as the case may be) to abstain from voting at the EGM to be convened to approve the Acquisition and matters relating to it
“independent third party”	a person other than a connected person (within the meaning of the Listing Rules) of the Company or of the Target Company, as the case may be
“Issue Price”	HK\$2.75 per CPS
“Last Trading Day”	22 May 2015, being the last full trading day for the Shares before the date of this announcement
“Listing Committee”	the Listing Committee of the Stock Exchange
”Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Management Share Scheme”	the management scheme to be established to replace and supersede the Pre-existing Management Scheme, details of which is set out in the section headed “(XI) Management Share Scheme” in this announcement
“New Guotsing BVI”	Wang Bao Development Limited, a limited liability company incorporated in the BVI and is wholly-owned by New Guotsing Holdco for the purpose of holding the entire issued capital of CNQC (South Pacific) immediately prior to Completion
“New Guotsing Concert Group”	New Guotsing Holdco and parties acting in concert with it (as defined under the Takeovers Code), including Dr. Du, BVI Company 1, BVI Company 2, BVI Company 4, BVI Company 5, Qingjian BVI and Qingdao Qingjian
“New Guotsing Holdco”	Guotsing Holding Company Limited (國清控股有限公司), a limited liability company incorporated in the BVI and is indirectly owned by the ultimate beneficial owners of Guotsing PRC (being Qingdao Qingjian, Dr. Du, the other shareholders of Shanghai Heliyuan and Bohai Investment and Beijing Uni-land) for the purpose of holding the CPS to be issued at Completion
“percentage ratios”	any of the five ratios set out in Rule 14.07 of the Listing Rules

“Pre-existing Management Scheme”	has the meaning given to it in the section headed “(XI) Management Share Scheme” in this announcement
“Qingdao Bohai”	青島博海建設集團有限公司 (Qingdao Bohai Construction Group Co Ltd*), a PRC company which in turn is controlled by 青島博海投資有限公司 (Qingdao Bohai Investment Co Ltd*), of which Dr. Du is the single largest shareholder with an effective beneficial interest of 20% as at the date of this announcement
“Qingdao Qingjian”	青島青建控股有限公司 (Qingdao Qingjian Holdings Co*), which is a wholly-owned subsidiary of Qingjian Staff Union
“Qingjian BVI”	Top Elate Investments Limited (冠揚投資有限公司), a limited liability company incorporated in the BVI
“Qingjian Staff Union”	青島青建控股有限公司工會持股會 (Qingdao Qingjian Holdings Co Staff Shareholding Union*), a legal entity comprising over 400 members who are employees of the Guotsing Group. As at the date of this announcement, each of Dr. Du, Mr. Huang Jiagao and Mr. Zhang Tongbo holds 3.6% interest in Qingjian Staff Union, and each of the other members holds less than 3.6% interest
“Reorganisation”	the internal reorganisation of Guotsing Group, details of which is set out in the section headed “(X) Reorganisation” in this announcement
“Rights”	has the meaning given to it under the section headed “(XI) Management Share Scheme” in this announcement
“Sale Shares”	the entire issued share capital of the Target Company. For the avoidance of doubt, as at the date of the Share Purchase Agreement, the Sale Shares shall be the entire issued shares of CNQC (South Pacific). As all of the shares of CNQC (South Pacific) will be transferred to New Guotsing BVI prior to Completion pursuant to the Reorganisation, upon which time, the Sale Shares shall be the entire issued shares of New Guotsing BVI
“Selected Participants”	certain management of Guotsing Group which were granted rights to subscribe for shares of CNQC (South Pacific) under the Pre-existing Management Scheme, details of which are set out in the section headed “(XI) Management Share Scheme” in this announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“SGD”	Singapore Dollar, the lawful currency of Singapore
“Shanghai Heliyuan”	上海和利源投資有限公司 (Shanghai Heliyuan Investment Co Ltd*), a company incorporated in the PRC with limited liability and is owned by Dr. Du Bo as to 99.5%
“Share Purchase Agreement”	a sale and purchase agreement dated 23 May 2015 entered into between the Company and Guotsing SG in relation to the Acquisition
“Shareholders”	the holders of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Specific Mandate”	the specific mandate to be approved by the Independent Shareholders, details of which are set out in the section headed “(VI) Proposed Grant of Specific Mandate” in this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Target Company”	(in respect of any period prior to the completion of the Reorganisation) CNQC (South Pacific) or (in respect of any period upon completion of the Reorganisation) New Guotsing BVI
“Target Group”	the Target Company and its subsidiaries
“Trust”	the trust to be constituted to service the Management Share Scheme
“Trustee”	a professional independent trustee to be appointed for the purpose of the Trust
“Whitewash Waiver”	a waiver in respect of the obligation of New Guotsing Holdco to make a mandatory general offer to other Shareholders in respect of the Shares not already owned or agreed to be acquired by New Guotsing Holdco as a result of the conversion of the CPS to be issued and allotted to New Guotsing Holdco at Completion pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code
“%”	per cent.

For the purpose of this announcement, unless the context otherwise requires, conversion of SGD into Hong Kong dollar is based on the approximate exchange rate of SGD1 to HK\$5.817. These conversions are provided for reference and convenience only, and no representation is made, and no representation should be construed as being made, that any amounts in SGD or HK\$ can be converted at the above rate or any other rates or at all.

By order of the Board
CNQC International Holdings Limited
Dr. Du Bo
Chairman

Hong Kong, 23 May 2015

As at the date of this announcement, the Board comprises (i) four executive Directors, namely Dr. Du Bo (Chairman), Mr. Cheng Wing On, Michael, Mr. Ho Chi Ling and Mr. Zhang Yuqiang; (ii) two non-executive Directors, namely Mr. Zhang Zhihua and Dr. Ding Hongbin; and (iii) three independent non-executive Directors, namely Mr. Chuck Winston Calptor, Mr. Ching Kwok Hoo, Pedro and Mr. Tam Tak Kei, Raymond.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Certain English translation of Chinese names or words marked with “” in this announcement are included for information only, and are not official English translations of such Chinese names or words.*