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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)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

THE DEED OF INDEMNITY

On 30 December 2024 (after trading hours), the Company and Vanke entered into the Deed of Indemnity pursuant to which the Company has agreed, subject to the terms and conditions contained therein, to, inter alia, provide the Indemnity in favor of Vanke.

LISTING RULES IMPLICATIONS

The Company had pursuant to the Previous Deed of Indemnity entered into between the Company, RPEL and Vanke on 19 July 2024, provide the Previous Indemnity in favor of Vanke, and the Previous Indemnity constituted a major transaction of the Company, details of which are set out in the announcement and circular of the Company dated 19 July 2024 and 23 August 2024 respectively.

As at the date of this announcement, one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Deed of Indemnity on a standalone basis exceeds 5% but is less than 25%. The Indemnity, when aggregated with the Previous Indemnity pursuant to Rule 14.22 of the Listing Rules, would be a major transaction of the Company under Chapter 14 of the Listing Rules.

However, as the said aggregation results in the same classification as the Previous Indemnity (i.e. major transaction) and the Company has fully complied with the relevant reporting, announcement and Shareholders' approval requirements in respect of the Previous Indemnity, the Company is not required to reclassify the Indemnity by aggregating it with the Previous Indemnity. As such, the transactions contemplated under the Deed of Indemnity constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

THE DEED OF INDEMNITY

On 30 December 2024, the Borrower, a direct wholly-owned subsidiary of the JV Company (which is in turn owned as to 95% by Wkinv, a wholly-owned subsidiary of Vanke, an Independent Third Party, and 5% by RPEL, an indirect wholly-owned subsidiary of the Company), the Bank, the JV Company and Vanke entered into a Facility Letter, in relation to the Facilities of up to an aggregate amount of HK\$587,000,000 granted to the Borrower by the Bank, with a tenor of up to 1 August 2027. Vanke agreed to provide and executed the Guarantee in favor of the Bank in respect of the Guaranteed Liabilities with guarantee coverage of up to 100% of the Guarantee Limit. In order for Vanke to provide and execute the Guarantee and the Bank to make available to the Borrower the Facilities, the Company agreed to provide the Indemnity in favor of Vanke.

On 30 December 2024 (after trading hours), the Company and Vanke entered into the Deed of Indemnity pursuant to which the Company has agreed, subject to the terms and conditions contained therein, to, inter alia, provide the Indemnity in favor of Vanke.

The principal terms of the Deed of Indemnity are as follows:

Date: 30 December 2024

Parties: (1) the Company; and
(2) Vanke.

Indemnity: The Company shall immediately on demand, (a) pay to Vanke 5% of each payment made or required to be made by Vanke under or in connection with Vanke's obligations under each Finance Document; and (b) indemnify Vanke against (i) 5% of all liabilities and (ii) any cost, loss, damage, claim, proceedings, action, expense or liability suffered or incurred by Vanke by reason of Vanke's entry into, execution and/or performance of each Finance Document or by reason of Vanke's performance of Vanke's obligations under the Finance Documents, in each case up to the amount equivalent to the 5% of Vanke's obligations under the Finance Documents.

Limitation of liability: The maximum liability of the Company under the Indemnity, together with its obligations and liabilities under the Finance Documents, shall not exceed 5% of the total Guaranteed Liabilities, which is determined based on the shareholding interest held by the Company in the Borrower through the JV Company.

The Guaranteed Liabilities

Assuming that the maximum amount of the Facilities having been fully utilised on the date of the Facility Letter (being 30 December 2024) and all the relevant amounts which shall be due to the Bank by Vanke under the Finance Documents being outstanding from 30 December 2024 to 1 August 2027, the estimated maximum aggregated amount of the Guaranteed Liabilities, which is up to 100% of the Guarantee Limit, is approximately HK\$615,996,354 (including (i) HK\$587,000,000 (being the total amount under the Facilities); and (ii) approximately HK\$28,996,354 (being the estimated aggregated amount of the fees, costs, charges and expenses incurred or to be incurred under the Finance Documents)).

As at the date of this announcement, no Facilities has been utilised.

The Indemnity

The maximum amount of liability of the Company under the Indemnity is 5% of the maximum amount of the Guaranteed Liabilities of approximately HK\$30,799,818, of which HK\$29,350,000 is 5% of the total amount under the Facilities and approximately HK\$1,449,818 is 5% estimated aggregated amount of the fees, costs, charges and expenses incurred or to be incurred under the Finance Documents.

The Indemnity (if payable) will be funded by internal resources of the Group.

INFORMATION ON PARTIES INVOLVED

The Company and the Group

The Company was incorporated in the Cayman Islands with limited liability 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 property development, foundation and construction business in Singapore and Southeast Asia, Hong Kong and Macau.

Vanke

Vanke is a company incorporated under the laws of Hong Kong with limited liability and is principally engaged in property development and investment and an indirect wholly-owned subsidiary of China Vanke, which is a joint stock company established in the PRC with limited liability, the issued H Shares of which are listed on the Stock Exchange (stock code: 2202) and the issued A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 000002). The total issued share capital of China Vanke is owned as to 27.18% by Shenzhen Metro Group Co., Ltd., which is a large-scale sole proprietorship state-owned enterprise under the direct control of the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen and less than 5% by each of its other shareholders.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Vanke, China Vanke and their ultimate beneficial owners are Independent Third Parties.

The JV Company and the Borrower

The JV Company is a BVI Business Company incorporated under the laws of the British Virgin Islands with limited liability and is owned as to 95% by Wkinv, a wholly-owned subsidiary of Vanke, an Independent Third Party, and 5% by RPEL, an indirect wholly-owned subsidiary of the Company. The sole business of the JV Company is the development of a certain property development project in Hong Kong.

The Borrower is a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of the JV Company. The sole business of the Borrower is the development of a certain property development project in Hong Kong.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE DEED OF INDEMNITY

The Facilities made available under the Facility Letter is to support the Borrower's needs in issuance of letter(s) of guarantee/finance undertaking in respect of the pre-sales consent application of a project. As such, the Facilities are crucial means for the Borrower to obtain financial resources for its operation and development of its property development project.

In addition, it is a common practice for banks or any third-party financial institutions requiring guarantee and other security provided by the borrower, its subsidiaries or its shareholders before provision of loans or financing to the borrower.

As (i) Vanke providing the Guarantee to cover 100% of the Guaranteed Liabilities is one of the conditions for the Bank to make available to the Borrower the Facilities; and (ii) the Borrower, through the JV Company, is indirectly owned as to 95% by Wkinv, which is in turn a wholly-owned subsidiary of Vanke, and 5% by RPEL, which is in turn an indirect wholly-owned subsidiary of the Company, the Company is of the view that the Indemnity under the Deed of Indemnity is necessary and in proportion to its equity interest, i.e. 5%, in the JV Company.

In light of the above, although the entering into of the Deed of Indemnity was not an ordinary and usual course of business of the Group, the Directors consider the terms of the Deed of Indemnity have been determined after arm's length negotiations between the parties, and are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DEED OF INDEMNITY ON THE GROUP

As the Borrower, through the JV Company, is only a 5% indirectly owned associate of the Company, the entering into of the Deed of Indemnity and the provision of the Indemnity will not have immediate effect on the earnings, assets and liabilities of the Group. The Company would indemnify Vanke pursuant to the terms and conditions of the Deed of Indemnity only if the Borrower has failed to pay on the due date any amount payable under the Facilities and Vanke's obligations under the Finance Documents have therefore been enforced. As of the date of this announcement, to the best knowledge, information and belief of the Directors, the Group is not aware of any possibility of Vanke's obligations under the Finance Documents being enforced.

Accordingly, the Directors consider that the provision of Indemnity under the Deed of Indemnity, will not have any net material financial impact on the earnings, assets and liabilities of the Group.

LISTING RULES IMPLICATIONS

The Company had pursuant to the Previous Deed of Indemnity entered into between the Company, RPEL and Vanke on 19 July 2024, provided the Previous Indemnity in favor of Vanke, and the Previous Indemnity constituted a major transaction of the Company, details of which are set out in the announcement and circular of the Company dated 19 July 2024 and 23 August 2024 respectively.

As at the date of this announcement, one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Deed of Indemnity on a standalone basis exceeds 5% but is less than 25%. The Indemnity, when aggregated with the Previous Indemnity pursuant to Rule 14.22 of the Listing Rules, would be a major transaction of the Company under Chapter 14 of the Listing Rules.

However, as the said aggregation results in the same classification as the Previous Indemnity (i.e. major transaction) and the Company has fully complied with the relevant reporting, announcement and Shareholders' approval requirements in respect of the Previous Indemnity, the Company is not required to reclassify the Indemnity by aggregating it with the Previous Indemnity. As such, the transactions contemplated under the Deed of Indemnity constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Bank”	China CITIC Bank International Limited, (a company incorporated in Hong Kong with limited liability), and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Bank and its ultimate beneficial owners is an Independent Third Party
“Board”	the board of Directors
“Borrower”	Wealth Honour Limited (財榮有限公司), a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of the JV Company

“China Vanke”	China Vanke Co., Ltd.* (萬科企業股份有限公司), a joint stock company established in the PRC with limited liability, the issued H Shares of which are listed on the Stock Exchange (stock code: 2202) and the issued A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 000002)
“Company”	CNQC International Holdings Limited (青建國際控股有限公司), a company incorporated under the laws of Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1240)
“Deed of Indemnity”	the deed of indemnity entered into between the Company and Vanke on 30 December 2024
“Director(s)”	director(s) of the Company
“Facilities”	the facilities of up to an aggregate amount of HK\$587,000,000 granted to the Borrower by the Bank with the tenor of up to 1 August 2027 pursuant to the Facility Letter
“Facility Letter”	the facility letter entered into by, among others, the Borrower, the Bank, the JV Company and Vanke on 30 December 2024
“Finance Documents”	the Facility Letter and the Guarantee
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee dated 30 December 2024 executed by Vanke in favor of the Bank in respect of the Guaranteed Liabilities with the guarantee coverage of up to 100% of the Guarantee Limit
“Guaranteed Liabilities”	all or any money and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Bank by Vanke under or in connection with each Finance Document, up to the Guarantee Limit
“Guarantee Limit”	the maximum aggregate amount of the Facilities of HK\$587,000,000, together with all interest, charges, expenses and any other amounts payable to the Bank under the Finance Documents
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Indemnity”	the indemnity granted by the Company in favor of Vanke under the Deed of Indemnity
“Independent Third Parties”	a party(ies) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and is/are third party independent of the Company and the connected persons (as defined in the Listing Rules) of the Company
“JV Company”	Jubilant Castle Limited, a British Virgin Islands Business Company incorporated under the laws of the British Virgin Islands with limited liability, 95% and 5% of its issued share capital are owned by Wkinv and RPEL respectively
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Previous Deed of Indemnity”	a deed of indemnity entered into between the Company, RPEL and Vanke on 19 July 2024
“Previous Indemnity”	the indemnity granted by the Company in favor of Vanke under the Previous Deed of Indemnity
“RPEL”	Rapid Profit Enterprises Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Shares”	the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vanke”	Vanke Property (Hong Kong) Company Limited (萬科置業(香港)有限公司), a company incorporated under the laws of Hong Kong with limited liability, an indirect wholly-owned subsidiary of China Vanke
“Wkinv”	Wkinv HK Holdings Limited, a company incorporated under the laws of British Virgin Islands, a wholly-owned subsidiary of Vanke

“%”

per cent.

By order of the Board
CNQC International Holdings Limited
Mr. Wang Congyuan
Chairman

Hong Kong, 30 December 2024

As at the date of this announcement, the Board comprises (i) four executive Directors, namely Mr. Wang Congyuan (Chairman), Dr. Du Bo, Mr. Li Jun (Chief Executive Officer), Mr. Du Dexiang (Co-Chief Executive Officer); (ii) one non-executive Director, namely Mr. Liu Jiazhen; and (iii) four independent non-executive Directors, namely Mr. Tam Tak Kei, Raymond, Mr. Chan Kok Chung, Johnny, Mr. Liu Junchun and Ms. Liu Juan.