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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

PROPOSED GRANT OF SPECIFIC PLACING MANDATE

AND

CONTINUING CONNECTED TRANSACTIONS

SPECIFIC PLACING MANDATE TO ISSUE NEW SHARES

The Board proposes, subject to approval of the Acquisition from Shareholders at the EGM, to seek the grant of the Specific Placing Mandate from Shareholders at the EGM for the purpose of the Possible Placing. Subject to market conditions, the Board may or may not exercise the proposed Specific Placing Mandate, if granted, in full or at all. The Directors proposed to use the net proceeds from the Possible Placing to improve the capital structure, for general working capital purpose and further development or acquisition by the Group.

Investors should note that as at the date of this announcement, no placing agreement has been signed and no placing agent has been appointed by the Company. Depending on market conditions, the Directors may or may not exercise the proposed Specific Placing Mandate, if granted, to issue the new Shares.

Investors should be aware that the proposed Specific Placing Mandate may or may not be approved by the Shareholders at the EGM. Even if the proposed Specific Placing Mandate is granted to the Board, the Possible Placing may or may not be proceeded with. Investors should therefore exercise caution when dealing in the Shares.

CONTINUING CONNECTED TRANSACTIONS

Upon the Company acquiring the Target Group at Completion, any transactions between the Enlarged Group and the Guotsing Group will constitute connected transactions or continuing connected transactions of the Company.

Set out below is a summary of the continuing connected transactions of the Company upon Completion:

Provision of construction labour, material sourcing and machinery rental services by the Guotsing Group

During the Track Record Period, Qingjian Myanmar (an indirect 90% owned subsidiary of Guotsing PRC) had entered into the Qingjian Myanmar Service Agreement with Qingjian International, a subsidiary of the Target Company, pursuant to which Qingjian Myanmar shall, at a contracted sum of US\$40,673,869.88, provide the Labour, Materials and Machinery Services to Qingjian International in connection with the Myanmar Construction Contract for the construction of an office tower in Myanmar for an international hotel operator.

As the Qingjian Myanmar Service Agreement has been entered into between Qingjian Myanmar and Qingjian International for a fixed period with fixed terms before the Acquisition, the transactions contemplated thereunder will become continuing connected transactions of the Company upon Completion because Qingjian International will become an indirect wholly-owned subsidiary of the Company and, pursuant to Rule 14A.60 of the Listing Rules, the Company must, upon Completion, comply with the annual review and disclosure requirements including publishing an announcement and annual reporting and when the Qingjian Myanmar Service Agreement is renewed or its terms are varied, the Company will comply with all continuing connected transaction requirements under Chapter 14A of the Listing Rules.

Provision of marketing and consultancy services by SLP International

During the Track Record Period, SLP International provided sales and marketing services to certain property development projects developed by the Target Group. The Company entered into the SLP International Master Service Agreement with SLP International on 25 September 2015 in relation to the provision of marketing and consultancy services.

As the highest applicable percentage ratios calculated based on the annual caps for the SLP International Master Service Agreement is expected to be more than 1% but less than 5%, the transactions under the SLP International Master Service Agreement will constitute continuing connected transactions of the Company upon Completion under Chapter 14A of the Listing Rules, which will be subject to the annual reporting requirements under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirements under Rule 14A.35 of the Listing Rules.

Supply of precast components and clay and concrete products by Qingjian Precast Group

During the Track Record Period, the Qingjian Precast Group had been one of the key suppliers of the Target Group of the Supply of Precast Components and Concrete. The Company entered into the Qingjian Precast Master Service Agreement on 25 September 2015 in relation to the supply of precast components and clay and concrete products to the Enlarged Group after Completion.

As one or more of the applicable percentage ratios calculated based on the annual caps for the Qingjian Precast Master Service Agreement exceed 5%, the transactions under the Qingjian Precast Master Service Agreement will constitute continuing connected transactions of the Company upon Completion under Chapter 14A of the Listing Rules, which will be subject to the annual reporting requirements under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirements under Rule 14A.35 of the Listing Rules and the independent shareholders' approval requirements under Rule 14A.36 of the Listing Rules.

The Circular containing, among other things, further details of the proposed grant of the Specific Placing Mandate, the Non-Exempt Continuing Connected Transactions, a letter from the Independent Board Committee to the Independent Shareholders, a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice convening the EGM, will be despatched to the Shareholders on or around 25 September 2015.

The Company refers to the Announcement in relation to, among other things, the Acquisition. Unless otherwise indicated, capitalised terms defined in the Announcement shall have the same meanings when used herein.

SPECIFIC PLACING MANDATE TO ISSUE NEW SHARES

The Possible Placing

In order to strengthen the financial position of the Group, to enlarge the shareholder and capital base and to increase the public float of the Company, the Company proposed to seek the approval from the shareholders at the EGM for the proposed Specific Placing Mandate relating to the Possible Placing to issue not more than 215 million new Shares to institutional, and/or other investors which are independent third parties. The maximum number of new Shares to be issued under the Possible Placing represents (i) not more than approximately 71.67% of the existing issued share capital of the Company as at the date of

this announcement; and (ii) not more than 18.5% of the total issued share capital of the Company as enlarged by the conversion of all CPS held by New Guotsing Holdco and the issuance of 215 million new Shares pursuant to the Possible Placing.

The placing price and the other terms and conditions of the Possible Placing shall be agreed upon by the Company and the relevant placing agent(s) to be entered into by the Company subject to the terms of the Specific Placing Mandate as set out below.

The Specific Placing Mandate

The Board proposes, subject to approval from Shareholders at the EGM for the approval of the Acquisition, to seek the grant of the Specific Placing Mandate from Shareholders at the EGM for the purpose of the Possible Placing.

The major terms and conditions of the Specific Placing Mandate are as follows:

- (a) to issue not more than 215 million new Shares;
- (b) the placing price will be at a discount of not more than 20% to the higher of:
 - (i) the closing price of the Shares as quoted on the Stock Exchange on the date of signing of the relevant placing agreement; and
 - (ii) the average closing price of the Shares as quoted on the Stock Exchange for five trading days immediately prior to the earlier of:
 - (A) the date of announcement of the Possible Placing;
 - (B) the date of the relevant placing agreement; and
 - (C) the date on which the placing price of the Possible Placing is fixed;
- (c) the placing price in any event will not be less than HK\$2.40 per Share which was determined by reference to the closing price of the Shares as quoted on the Stock Exchange on the Latest Practicable Date and the offer price of the mandatory general offer made by CNQC Development in March 2014 for all the outstanding Shares of the Company at the time (other than the Shares held by parties acting in concert with it), and it represents:
 - (i) a premium of approximately 5.3% to the closing price of HK\$2.28 per Share as quoted on the Stock Exchange on the business day prior to the date of this announcement; and
 - (ii) a premium of approximately 3.4% to the average closing price of approximately HK\$2.32 per Share as quoted on the Stock Exchange for the last five trading days up to and including the business day prior to the date of this announcement.
- (d) the grant of the Specific Placing Mandate is subject to the passing of an ordinary resolution by the Shareholders at the EGM approving such grant;

- (e) the issue of new Shares pursuant to the Specific Placing Mandate will be conditional upon Completion;
- (f) the proposed Specific Placing Mandate is for the period from the passing of the relevant resolution in the EGM up to the earlier of:
 - (i) the date falling six months after the date of the passing of the aforesaid resolution at the EGM; or
 - (ii) the revocation or variation of the authority given under the relevant resolution(s) at the EGM by ordinary resolution(s) of the Shareholders in a general meeting of the Company.

The Company undertakes to ensure that the Shares issued pursuant to the Specific Placing Mandate will not be placed to connected persons (as defined in the Listing Rules) of the Company.

Estimated proceeds from the Possible Placing

The actual size of fund raised from the Possible Placing will depend upon the number of new Shares to be issued and the issue price per new Share. The Directors may issue the new Shares at a premium or a discount, depending on various factors including without limitation the prevailing market conditions and the prevailing share price of the Shares.

On the assumption that the new Shares are to be issued at a price of HK\$2.40 per Share under the Possible Placing (being the minimum placing price), the gross proceeds (before deducting the expenses and commission in relation to the Possible Placing) from the issue of 215,000,000 Shares (the maximum Shares that the Company may issue pursuant to the Specific Placing Mandate (if granted)) will be HK\$516 million.

On the assumption that the new Shares are to be issued at a price of HK\$2.28 per Share under the Possible Placing (being the closing price of the Shares on the business day prior to the date of this announcement), the gross proceeds (before deducting the expenses and commission in relation to the Possible Placing) from the issue of 215,000,000 Shares (the maximum Shares that the Company may issue pursuant to the Specific Placing Mandate (if granted)) will be approximately HK\$490.2 million.

On the assumption that the new Shares are to be issued at a price of HK\$1.86 per Share under the Possible Placing (being approximately 20% discount to the average closing price of the Shares for the last five trading days up to and including the business day prior to the date of this announcement), the gross proceeds (before deducting the expenses and commission related to the Possible Placing) from the issue of 215,000,000 Shares (the maximum Shares that the Company may issue pursuant to the Specific Placing Mandate (if granted)) will be approximately HK\$399.9 million.

Investors should note that as at the date of this announcement, no placing agreement has been signed and no placing agent has been appointed by the Company. Depending on market conditions, the Directors may or may not exercise the proposed Specific Placing Mandate, if granted, to issue the new Shares.

Reasons for the Possible Placing and Proposed use of proceeds

Assuming solely for illustration purposes, the new Shares are issued at the minimum price of HK\$2.40 per Share with gross placing proceeds of HK\$516 million, such proceeds shall be applied as follows:

- (a) HK\$101 million, representing approximately 19.6% of the gross placing proceeds, in and towards the repayment of portion of the short-term bank loans of the Target Group that will mature in early 2016;
- (b) HK\$382 million, representing approximately 74.0% of the gross placing proceeds, in and towards the payment for development costs (including land cost, construction costs and other development costs such as marketing expenses, contingencies, professional or consultant fees, property tax and goods and services tax) of the five Target Group's property projects namely Waterbay, Ecopolitan, Bellewoods, Bellewaters and Sembawang that would be due between January 2016 to March 2016; and
- (c) HK\$33 million, representing approximately 6.4% of the gross placing proceeds, for the general working capital and activities of the Enlarged Group.

In the event that the gross proceeds from the Possible Placing are less than expected, the Directors will consider to adjust the allocation of such proceeds for the above-mentioned purposes, but with the priority in repayment of portion of the short-term bank loan of the Target Group and then the payment for development costs of the five Target Group's property projects. In the event that the Possible Placing does not proceed, the Target Group may satisfy the above capital needs by way of bank or other borrowings.

The proposed issue of the new Shares under the Possible Placing allows the Company to expand the shareholder and capital base of the Company by issuing new Shares to investors who are interested in making an investment in the Company and who understand and recognise the value and potential of the Enlarged Group. The Possible Placing also increases the overall liquidity of the Shares and strengthens the financial position of the Group. The Company seeks the Specific Placing Mandate as it has determined, based on discussions with potential placing agent, that it is not practicable to have a placing agreement signed prior to the despatch of this circular. This is due to the size of the equity fund raising contemplated through the Possible Placing and the requirement of placing agents to minimise the period between pricing and completion of an equity issue.

Possible application for listing

Should the Board, upon obtaining the proposed Specific Placing Mandate, proceed to exercise the proposed Specific Placing Mandate to issue the new Shares, the Company will apply to the Listing Committee for the listing of and permission to deal in all of the new Shares to be issued and placed pursuant to the Possible Placing.

Investors should be aware that the proposed Specific Placing Mandate may or may not be approved by the Shareholders at the EGM. Even if the proposed Specific Placing Mandate is granted to the Board, the Possible Placing may or may not be proceeded with. Investors should therefore exercise caution when dealing in the Shares.

Effect of the completion of the Possible Placing 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 to be issued by the Company to New Guotsing Holdco upon Completion of the Acquisition, and the completion of the exercise of the Specific Placing Mandate in full (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 a placing of 215.0 million new Shares under the Specific Placing Mandate to public shareholders and all CPS held by New Guotsing Holdco are converted into Shares (for illustration only) (note 2)			Assuming a placing of 215.0 million new Shares to public shareholders and all CPS held by New Guotsing Holdco and the Trustee are converted into Shares (for illustration only) (note 4)		
	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 CPS held (note 1)	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	19.3%	—	224,145,000	15.3%	—
New Guotsing Holdco	—	—	—	—	647,273,454	647,273,454	55.7%	—	647,273,454	44.1%	—
<i>Subtotal of New Guotsing Concert Group</i>	224,145,000	74.7%	224,145,000	74.7%	647,273,454	871,418,454	75.0%	—	871,418,454	59.4%	—
Trustee (note 3)	—	—	—	—	304,599,273	—	—	304,599,273	304,599,273	20.8%	—
	<u>224,145,000</u>	<u>74.7%</u>	<u>224,145,000</u>	<u>74.7%</u>	<u>951,872,727</u>	<u>871,418,454</u>	<u>75.0%</u>	<u>304,599,273</u>	<u>1,176,017,727</u>	<u>80.2%</u>	<u>—</u>
Public											
Public Shareholders as at the date of this announcement	75,855,000	25.3%	75,855,000	25.3%	—	75,855,000	6.5%	—	75,855,000	5.2%	—
New public shareholders upon placing of 215.0 million new shares by the Company under scenario (3) and (4) (note 5)	—	—	—	—	—	215,000,000	18.5%	—	215,000,000	14.7%	—
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>1,162,273,454</u>	<u>100.0%</u>	<u>304,599,273</u>	<u>1,466,872,727</u>	<u>100.0%</u>	<u>—</u>

Notes:

- The CPS is convertible into Shares on a conversion ratio of 1:1.
- This represents the shareholding structure of the Company after Completion, assuming that (i) the Company has issued and allotted 215.0 million new Shares pursuant to the Specific Placing Mandate 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. As at the date of this announcement, the Company has not entered into any agreement with placing agents to place any new Shares.
- This represents the Trustee appointed to administer the Management Share Scheme whom will be nominated by Guotsing SG to take up 32% of the Consideration Shares at Completion. The CPS held by the Trustee shall not be converted into Shares prior to transfers to the Selected Participants.

4. This represents the shareholding structure of the Company after Completion, assuming that (i) the Company has issued and allotted 215.0 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); (iii) all 304,599,273 CPS, which are taken up by the Trustee who was appointed to administer the Management Share Scheme and will be nominated by Guotsing SG to take up such 304,599,273 CPS, are transferred to the Selected Participants and are being converted into Conversion Shares in accordance with the Management Share Scheme (on a conversion ratio of 1:1); and (iv) 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 (i) for New Guotsing Holdco, subject to the Company meeting the minimum public float requirement under Rule 8.08 of the Listing Rules and (ii) for the Selected Participants, subject to New Guotsing Holdco converting all of the CPS to be issued to New Guotsing Holdco at Completion into Conversion Shares and the Company meeting the minimum public float requirement under Rule 8.08 of the Listing Rules.
5. This represents the public shareholders who will be holding 215.0 million new Shares on the assumption that the Company will place 215.0 million new Shares to independent third parties after Completion under Scenario (3). As at the date of this announcement, the Company has not entered into any agreement with placing agents to place any new Shares.

Fund Raising Activities of the Company in the Past Twelve Months

The Company had not conducted any equity fund raising exercises in the past twelve months immediately preceding the date of this announcement.

CONTINUING CONNECTED TRANSACTIONS

Upon the Company acquiring the Target Group at Completion, any transactions between the Enlarged Group and the Guotsing Group will constitute connected transactions or continuing connected transactions of the Company.

Set out below is a summary of the continuing connected transactions of the Company upon Completion:

Pre-existing transactions becoming connected

- (a) Provision of construction labour, material sourcing and machinery rental services by the Guotsing Group;

Other Continuing Connected Transactions

- (b) Provision of marketing and consultancy services by SLP International; and
- (c) Supply of precast components and clay and concrete products by Qingjian Precast Group.

PRE-EXISTING TRANSACTIONS BECOMING CONNECTED

(a) Provision of construction labour, material sourcing and machinery rental services by the Guotsing Group

During the Track Record Period, Qingjian International had entered into the Qingjian Myanmar Service Agreement, pursuant to which Qingjian Myanmar shall, at a contracted sum of US\$40,673,869.88, provide the Labour, Materials and Machineries Services to Qingjian International in connection with the Myanmar Construction Contract.

According to the current timetable, the Target Group estimated that the Myanmar Construction Contract would be completed by March 2016. As at 31 March 2015, SGD14,025,567.16 (equivalent to US\$10,571,950.22) of the contracted sum had been incurred by Qingjian Myanmar under the Qingjian Myanmar Service Agreement. It is estimated that, subject to the progress of the Myanmar Construction Contract, the balance of SGD34,587,319.97 and SGD6,710,657.34 of the contracted sum would be incurred during the years ending 31 December 2015 and 31 December 2016, respectively.

The Company considered that the Qingjian Myanmar Service Agreement was entered into in the ordinary and usual course of business of Qingjian International and is on normal commercial terms.

Qingjian Myanmar is an indirect subsidiary of Guotsing PRC and is therefore a connected person of the Company. As the Qingjian Myanmar Service Agreement has been entered into between Qingjian Myanmar and Qingjian International for a fixed period with fixed terms before the Acquisition, the transactions contemplated thereunder will become continuing connected transactions of the Company upon Completion because Qingjian International will become an indirect wholly-owned subsidiary of the Company and, pursuant to Rule 14A.60 of the Listing Rules, the Company must, upon Completion, comply with the annual review and disclosure requirements including publishing an announcement and annual reporting and when the Qingjian Myanmar Service Agreement is renewed or its terms are varied, the Company will comply with all continuing connected transaction requirements under Chapter 14A of the Listing Rules.

OTHER CONTINUING CONNECTED TRANSACTIONS

(b) Provision of marketing and consultancy services by SLP International

Background

During the Track Record Period, SLP International provided sales and marketing services to certain property development projects developed by the Target Group, which include but are not limited to the following:

Relevant member of the Target Group	Name of the property development project	Sales and marketing consultancy services provided to the Target Group
QJ Serangoon	NIN Residence	Provision of marketing services for QJ Serangoon
QJ Punggol	RiverParc	Provision of marketing and consultancy services for QJ Punggol
QJ Sengkang	RiverSound	Provision of marketing and consultancy services for QJ Sengkang
QJ Edgefield Plains	WaterBay	Provision of marketing services for QJ Edgefield Plains
QJ Punggol Central	RiverIsles	Provision of sales services for QJ Punggol Central
QJ Punggol Way	Ecopolitan	Provision of marketing and consultancy services for QJ Punggol Way
QJ Woodlands	BelleWoods	Provision of marketing services for QJ Woodlands
QJ Anchorvale	BelleWaters	Provision of marketing services for QJ Anchorvale

The Marketing and Consultancy Services include: product training, sales office and showflat, liaison with developer, marketing collaterals, pricing analysis, marketing plan and campaign, sales administration, manning of showflat and progress report. The Company considers the Marketing and Consultancy Services have been entered into by the Target Group in its ordinary and usual course of business based on the commercial needs of the Target Group.

Connected Person

SLP International is principally engaged in real estate agency (including appraisers, valuers and rental service) business, and is indirectly owned as to 50% by each of Ms. Sim Kain Kain, a director of QJ Serangoon and BH-ZACD (Tuas Bay) Development Pte. Ltd. and Mr. Yeo Choon Guan, director of QJ Punggol, QJ Anchorvale, QJ Woodlands and BH-ZACD (Tuas Bay) Development Pte. Ltd.. As QJ Serangoon, QJ Punggol, QJ Sengkang, QJ Edgefield Plains, QJ Punggol Way, QJ Woodlands and QJ Anchorvale are Target Group Companies which will following Completion become

subsidiaries of the Enlarged Group, Ms. Sim and Mr. Yeo will become connected persons of the Company and SLP International, being an associate of Ms. Sim and Mr. Yeo, will also become a connected person of the Company.

SLP International Master Service Agreement

The Company considers that it will be beneficial for the Enlarged Group to continue to engage SLP International to provide Marketing and Consultancy Services after Completion. To ensure that the transactions comply with Rules 14A.34, 14A.51 and 14A.52 of the Listing Rules, the Company entered into the SLP International Master Service Agreement with SLP International on 25 September 2015.

Pursuant to the SLP International Master Service Agreement, the fees for the Marketing and Consultancy Services from SLP International are subject to the general pricing terms as set out in the paragraph headed “Common Terms of Connected Transaction Agreements” below. Detailed terms of the Marketing and Consultancy Services shall be set out in the specific agreements to be entered into between the Enlarged Group and SLP International from time to time which are ancillary to and subject to the terms and conditions of the SLP International Master Service Agreement.

Historical amounts

For the financial year ended 31 December 2012, 2013 and 2014 and the three months ended 31 March 2015, the amounts paid by the Target Group to SLP International for the Marketing and Consultancy Services was SGD7,940,307, SGD4,932,049, SGD2,526,414 and SGD655,389, respectively.

Proposed Annual Caps and basis

The amount to be paid by the Enlarged Group to SLP International for the Marketing and Consultancy Services under the SLP International Master Service Agreement for the financial year ending 31 December 2015, 2016 and 2017 will not exceed the following annual caps:

Annual Caps	SGD ('000)
31 December 2015	3,451
31 December 2016	4,679
31 December 2017	4,234

The annual caps for the Marketing and Consultancy Services payable by the Enlarged Group as set out above have been determined based on (a) the historical transaction amounts for the Marketing and Consultancy Services during the Track Record Period; (b) the nature of services required under specific contracts signed or agreed between the relevant members of the Enlarged Group and SLP International; (c) the projected increase in demand for the relevant services in anticipation of the new project developments of both the Enlarged Group and SLP International; and the projected increase in the average market prices for the similar services due to increased management and labour costs and other factors.

Pricing basis

The service fees payable under the SLP International Master Service Agreement by the Enlarged Group are to be agreed and determined on an arm's length basis between parties therein from time to time, which shall be comparable to, or no less favourable to the Enlarged Group than, the fair market prices for similar services offered by independent third parties to the Enlarged Group.

The relevant member of the Enlarged Group shall, before it enters into specific agreements in respect of the services pursuant to the SLP International Master Service Agreement:

- (i) obtain at least two price quotations from suppliers who are independent third parties for the supply of the same or similar services required by the Enlarged Group; and
- (ii) request SLP International to provide it with at least two sales records of the same or similar services offered by it to its customers, as the reference market price of such services.

If the relevant member of the Enlarged Group proceeds to place a purchase order or enters into a transaction with SLP International for the services contemplated under the SLP International Master Service Agreement, the price and other conditions at which such services are to be offered shall be no less favourable to the Enlarged Group than any of the price quotations and sales records.

Listing Rules implication

As the highest applicable percentage ratios calculated based on the annual caps for the SLP International Master Service Agreement is expected to be more than 1% but less than 5%, the transactions under the SLP International Master Service Agreement will constitute continuing connected transactions of the Company upon Completion under Chapter 14A of the Listing Rules, which will be subject to the annual reporting requirements under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirements under Rule 14A.35 of the Listing Rules.

(c) Supply of precast components and clay and concrete products by Qingjian Precast Group

Background

During the Track Record Period, Qingjian Precast Group had been one of the key suppliers of the Target Group of the Supply of Precast Components and Concrete. The Company considers the Supply of Precast Components and Concrete have been entered into by the Target Group in its ordinary and usual course of business based on the commercial needs of the Target Group.

Connected Person

Qingjian Precast, together with its subsidiary, is principally engaged in the production of structural precast components and wholesale of structural clay and concrete products. Elite Concrete Pte. Ltd., being the operating subsidiary of Qingjian Precast which principal business is the manufacturing of ready-mix concrete, is held as to 50% by Qingjian Precast and has been regarded as a subsidiary of Qingjian Precast and consolidated to the financial statements of Qingjian Precast. As at the date of this announcement, Qingjian Precast is owned as to 16% by Ms. Lin XiuE, spouse of Dr. Du, 8% by Mr. Zhang Zhihua, a non-executive Director, 8% by Dr. Ding Hongbin, a non-executive Director, 7% by Mr. Song Xiuyi, director of certain Target Group Companies and the balance is held by certain other individuals. Dr. Du, Mr. Zhang Zhihua and Dr. Ding Hongbin, all being connected persons at the Company's level, and Mr. Song Xiuyi, a connected person at the subsidiary's level, collectively control more than 30% of the shareholding interest of Qingjian Precast. To enhance the corporate governance of the Company, the Company will, on Completion, comply with the Listing Rules on a voluntary basis as if Qingjian Precast is a connected person of the Company.

Qingjian Precast Master Service Agreement

The Company considers that it will be beneficial for the Enlarged Group to continue to source precast components and clay and concrete products from Qingjian Precast Group after Completion. To ensure that the transactions comply with Rules 14A.34, 14A.51 and 14A.52 of the Listing Rules, the Company entered into the Qingjian Precast Master Service Agreement with Qingjian Precast on 25 September 2015.

Pursuant to the Qingjian Precast Master Service Agreement, the fees for the Supply of Precast Components and Concrete from Qingjian Precast Group are subject to the general pricing terms as set out in the paragraph headed "Key Terms of Connected Transaction Agreement" below. Detailed terms of the Supply of Precast Components and Concrete shall be set out in the specific agreements to be entered into between the Enlarged Group and Qingjian Precast Group from time to time which are ancillary to and subject to the terms and conditions of the Qingjian Precast Master Service Agreement.

Historical amounts

For the financial year ended 31 December 2012, 2013 and 2014 and the three months ended 31 March 2015, the amount paid by the Target Group to Qingjian Precast Group for the Supply of Precast Components and Concrete was SGD62,665,638, SGD60,111,328, SGD73,887,076 and SGD22,745,167, respectively.

Proposed Annual Caps and basis

The amount to be paid by the Enlarged Group to Qingjian Precast Group for the Supply of Precast Components and Concrete under the Qingjian Precast Master Service Agreement for the financial year ending 31 December 2015, 2016 and 2017 will not exceed the following annual caps:

Annual Caps	<i>SGD ('000)</i>
31 December 2015	78,400
31 December 2016	68,000
31 December 2017	68,000

The annual caps for the Supply of Precast Components and Concrete payable by the Enlarged Group as set out above is determined based on (a) the historical transaction amounts for the Supply of Precast Components and Concrete during the Track Record Period; (b) the projected additional Supply of Precast Components and Concrete required for the performance of the construction contracts by the Enlarged Group; and (c) the projected increase in the average market prices for similar products and services due to increased labour costs and other factors.

Pricing basis

The amount payable under the Qingjian Precast Master Service Agreement by the Enlarged Group are to be agreed and determined on an arm's length basis between parties therein from time to time, which shall be comparable to, or no less favourable to the Enlarged Group than, the fair market prices for similar products offered by independent third parties to the Enlarged Group.

The relevant member of the Enlarged Group shall, before it enters into specific agreements in respect of the products pursuant to the Qingjian Precast Master Service Agreement:

- (i) obtain at least two price quotations from suppliers who are independent third parties for the supply of the same or similar products required by the Enlarged Group; and
- (ii) request members of the Qingjian Precast Group to provide it with at least two sales records of the same or similar products offered by it to its customers, as the reference market price of such products.

If the relevant member of the Enlarged Group proceeds to place a purchase order or enters into a transaction with the relevant members of the Qingjian Precast Group for the products contemplated under the Qingjian Precast Master Service Agreement, the price and other conditions at which such products are to be offered shall be no less favourable to the Enlarged Group than any of the price quotations and sales records.

Listing Rules implication

As one or more of the applicable percentage ratios calculated based on the annual caps for the Qingjian Precast Master Service Agreement exceed 5%, the transactions under the Qingjian Precast Master Service Agreement will constitute continuing connected transactions of the Company upon Completion under Chapter 14A of the Listing Rules, which will be subject to the annual reporting requirements under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirements under Rule 14A.35 of the Listing Rules and the independent shareholders' approval requirements under Rule 14A.36 of the Listing Rules.

COMMON TERMS OF THE CONNECTED TRANSACTION AGREEMENTS

Each of the Connected Transaction Agreements is a framework agreement comprising the general terms and conditions upon which the Enlarged Group, Qingjian Precast Group and SLP International (as the case may be) are to carry out the particular type of non-exempt continuing connected transaction contemplated thereunder.

The key terms of the Connected Transaction Agreements are set out below:

Term: The Connected Transaction Agreements are conditional on the Completion and the Qingjian Precast Master Service Agreement is further conditional upon the approval by the Independent Shareholders at the EGM, and will be effective from the Completion Date to 31 December 2017, which can be renewed on terms to be agreed upon between parties stated therein subject to compliance with the applicable Listing Rules.

Framework agreement: Each of the Connected Transaction Agreements is a framework agreement which contains general terms and conditions upon which the parties stated therein are to carry out the transaction contemplated thereunder.

Members of the Enlarged Group and members of the Qingjian Precast Group or SLP International (as the case may be) may from time to time enter into specific agreements in respect of the services received by the Enlarged Group, provided that the terms of such detailed agreements are not inconsistent with the terms of the Connected Transaction Agreements. The actual services and/or products to be received by the Enlarged Group are subject to such detailed agreement entered into between the relevant members of the Enlarged Group and the relevant members of the Qingjian Precast Group or the relevant members of the Enlarged Group and SLP International from time to time during the terms of the Connected Transaction Agreements.

Termination: The Connected Transaction Agreements may be terminated by either party giving the other party a written notice not less than 30 days before the intended date of termination.

INTERNAL CONTROL MEASURES

The Target Group has established measures and policies to ensure that the transactions contemplated under the Connected Transaction Agreements will be conducted in accordance with the terms of the respective Connected Transaction Agreements. In particular, the Contract Department of the Target Group, headed by Mr. Wang Jing Biao, will be responsible for reviewing the transactions contemplated under the Connected Transaction Agreements, which the Contract Department (i) will monitor the respective Annual Caps so that such Annual Caps will not be exceeded; and (ii) will obtain the abovementioned price quotations and sales records to ensure the pricing monitoring procedures are duly carried out so that the respective transactions contemplated under each of the Connected Transaction Agreements will be conducted in accordance to its pricing terms. The Enlarged Group also has the reporting and record-keeping procedures in place to allow independent non-executive Directors and auditors of the Company to properly review the Connected Transaction Agreements and the transactions contemplated therein annually.

CONFIRMATION FROM THE DIRECTORS

The Directors (in respect of the Qingjian Precast Master Service Agreement, excluding all the independent non-executive Directors, whose opinion, after taking into account the advice from the Independent Financial Adviser, will be included in the Circular) are of the view that (i) the Connected Transaction Agreements, have been entered into in the ordinary and usual course of business of the Target Group; (ii) the Connected Transaction Agreements and the transactions contemplated therein have been negotiated on an arm's length basis, on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) the respective Annual Caps for the transactions to be carried out pursuant to the Connected Transaction Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY, GUOTSING PRC 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, 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.

The Target Group comprises New Guotsing BVI 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.

DESPATCH OF THE CIRCULAR AND THE EGM

An Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Shareholders in relation to, among other things, the proposed Non-Exempt Continuing Connected Transactions, taking into account the recommendation of the Independent Financial Adviser. The Company has appointed Altus Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Shareholders in relation to, among other things, the Non-Exempt Continuing Connected Transactions.

The Circular containing, among other things, further details of the proposed grant of the Specific Placing Mandate, the Non-Exempt Continuing Connected Transactions, a letter from the Independent Board Committee to the Independent Shareholders, a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice convening the EGM, will be despatched to the Shareholders on or around 25 September 2015. The EGM will be convened to consider and, if thought fit, approve, among other things, the matters above.

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
“Announcement”	the announcement of the Company dated 23 May 2015 in relation to, among other things, the Acquisition
“Annual Caps”	the maximum aggregate annual transaction amounts set for the Connected Transaction Agreements for each of the three years ending 31 December 2015, 2016 and 2017
“Articles”	the articles of association of the Company adopted on 11 September 2012, as may be amended from time to time

“associates”	has the meaning given to it under the Listing Rules
“Beijing Uni-Land”	北京紫光置地投资有限公司 (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
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“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
“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
“Connected Transaction Agreements”	the Qingjian Precast Master Service Agreement and the SLP International Master Service Agreement
“controlling shareholder(s)”	has the meaning given to it under the Listing Rules
“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 other matters, the Specific Placing Mandate, and the Non-Exempted Continuing Connected Transaction
“Enlarged Group”	the Group and the Target Group
“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, among other matters, the Non-Exempt Continuing Connected Transaction

“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 or involved in the Non-Exempt Continuing Connected Transaction, and (iv) those who are required to abstain from voting at the EGM to be convened to approve, among others, the the Non-Exempt Continuing Connected Transaction
“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
“Labour, Materials and Machineries Services”	provision of labour, materials sourcing and machinery rental services
“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
“Marketing and Consultancy Services”	the marketing and consultancy services provided by SLP International to the Target Group
“Myanmar Construction Contract”	a construction contract dated 10 February 2014 entered into by Qingjian International for the construction of an office tower in Myanmar for an international hotel operator
“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 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
“Non-Exempt Continuing Connected Transaction”	the transactions to be carried out pursuant to the Qingjian Precast Master Service Agreement, which are subject to the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules
“percentage ratios”	any of the five ratios set out in Rule 14.07 of the Listing Rules

“Possible Placing”	the possible placing(s) of not more than 215,000,000 new Shares pursuant to the Specific Placing Mandate proposed to be granted by the Shareholders
“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 International”	Qingjian International (South Pacific) Group Development Co., Pte Ltd., a company incorporated in Singapore with limited liability on 22 February 2010, a wholly-owned subsidiary of CNQC (South Pacific)
“Qingjian Myanmar”	Qingjian International (Myanmar) Group Development Company Limited, a company incorporated in Myanmar and is an indirect 90% owned subsidiary of Guotsing PRC
“Qingjian Myanmar Service Agreement”	a service agreement entered into between Qingjian Myanmar and Qingjian International regarding the provision of Labour, Materials and Machineries Services in connection with Myanmar Construction Contract
“Qingjian Precast”	Qingjian Precast Pte. Ltd., a company incorporated on 18 August 2009 in Singapore with limited liability and is owned as to 16% by Ms. Lin XiuE, spouse of Dr. Du, 8% by Mr. Zhang Zhihua, a non-executive Director and 8% by Dr. Ding Hongbin, a non-executive Director and is considered as a connected person of the Company on a voluntary basis.
“Qingjian Precast Group”	Qingjian Precast Group and its subsidiaries
“Qingjian Precast Master Service Agreement”	an agreement dated 25 September 2015 entered into by Qingjian Precast and the Company for the supply of precast component and clay and concrete products to the Enlarged Group
“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

“QJ Anchorvale”	Qingjian Realty (Anchorvale) Pte. Ltd., a company incorporated in Singapore with limited liability on 10 June 2013, and owned as to 63% by Qingjian Realty (South Pacific) Group Pte. Ltd., 15% by Suntec Property Ventures Pte. Ltd., 12% by HLY Investments (Anchorvale) Pte. Ltd. and 10% by ZACD (Anchorvale) Pte. Ltd. and is a member of the Target Group
“QJ Edgefield Plains”	Qingjian Realty (Edgefield Plains) Pte. Ltd., a company incorporated in Singapore with limited liability on 12 April 2012, and owned as to 85% by Qingjian Realty (South Pacific) Group Pte. Ltd., 10% by Bohai Investments (Punggol Central) Pte. Ltd. and 5% by Mr. Zuo Haibin and is a member of the Target Group
“QJ Punggol”	Qingjian Realty (Punggol) Pte. Ltd., a company incorporated in Singapore with limited liability on 18 October 2010, and owned as to 60% by Qingdao Construction (Singapore) Pte. Ltd., 16% by ZACD (Punggol Drive) Pte. Ltd., 14% by YongLi He Development Pte Ltd. and 10% by Mr. Zuo Haibin and is a member of the Target Group
“QJ Punggol Central”	Qingjian Realty (Punggol Central) Pte. Ltd., a company incorporated in Singapore with limited liability on 17 November 2011, and owned as to 85% by Qingjian Realty (South Pacific) Group Pte. Ltd., 10% by Bohai Investments (Punggol Central) Pte. Ltd. and 5% by Mr. Zuo Haibin and is a member of the Target Group
“QJ Punggol Way”	Qingjian Realty (Punggol Way) Pte. Ltd., a company incorporated in Singapore with limited liability on 13 September 2012, and owned as to 85% by Qingjian Realty (South Pacific) Group Pte. Ltd., 10% by Shun Kang Development & Investment Pte. Ltd. and 5% by Mr. Zuo Haibin and is a member of the Target Group
“QJ Sengkang”	Qingjian Realty (Sengkang) Pte. Ltd. a company incorporated in Singapore with limited liability on 10 June 2011, and owned as to 72% by Qingdao Construction (Singapore) Pte. Ltd., 12% by ZACD (Sengkang) Pte. Ltd., 5% by Bohai Investments (Sengkang) Pte. Ltd, 5% by Mr. Zuo Haibin, 3.8% by YongLi He Development Pte. Ltd. and 2.2% by TKS International Investment Pte. Ltd. and is a member of the Target Group

“QJ Serangoon”	Qingjian Realty (Serangoon) Pte. Ltd., a company incorporated in Singapore with limited liability on 22 June 2010, and owned as to 81% by Qingdao Construction, 15% by ZACD (Sennett) Pte. Ltd. and 4% by YongLi He Development Pte Ltd and is a member of the Target Group
“QJ Woodlands”	Qingjian Realty (Woodlands) Pte. Ltd., a company incorporated in Singapore with limited liability on 23 May 2013, and owned as to 65% by Qingjing Realty (South Pacific) Group Pte. Ltd., 15% by Suntec Property Ventures Pte. Ltd., 10% by Bohai Investments (Sengkang) Pte. Ltd. and 10% by ZACD (Woodlands3) Pte. Ltd. and is a member of the Target Group
“Reorganisation”	the internal reorganisation of Guotsing Group, details of which is set out in the section headed “(X) Reorganisation” in the 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) have been transferred to New Guotsing BVI prior to Completion pursuant to the Reorganisation, upon which time the Sale Shares are the entire issued shares of New Guotsing BVI
“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
“SLP International”	SLP International Property Consultants Pte. Ltd., a company incorporated in Singapore and is indirectly owned as to 50% by each of Ms. Sim Kain Kain and Mr. Yeo Choon Guan
“SLP International Master Service Agreement”	an agreement dated 25 September 2015 entered by SLP International and the Company for the provision of marketing and consultancy services to the Enlarged Group

“Specific Placing Mandate”	the specific mandate proposed to be granted to the Directors by the Shareholders at the EGM to issue not more than 215,000,000 new Shares, representing not more than 18.5% of the total issued share capital of the Company as enlarged by the conversion of all CPS held by New Guotsing Holdco and the completion of the Possible Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supply of Precast Components and Concrete”	the supply of precast components and clay and concrete products in Singapore
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Target Company”	New Guotsing BVI
“Target Group”	the Target Company and its subsidiaries
“Track Record Period”	the period comprising the three years ended 31 December 2014 and the three months ended 31 March 2015
“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.

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 (IF ANY) OF THE COMPANY.

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

Hong Kong, 25 September 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.