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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)

COMPLETION OF PLACING OF NEW SHARES UNDER SPECIFIC PLACING MANDATE AND CPS CONVERSION

Placing Agents

BM INTELLIGENCE
邦盟滙駿證券有限公司
BMI Securities Limited
BMI Securities Limited

 **國泰君安(香港)**
GUOTAI JUNAN (HONG KONG)

Guotai Junan Securities (Hong Kong) Limited

THE COMPLETION OF PLACING

The Board is pleased to announce that the condition of the Placing has been fulfilled and the completion of the Placing took place on 12 January 2016. An aggregate of 90,202,500 Placing Shares have been successfully placed by the Placing Agents to not fewer than six Placees, who and whose ultimate beneficial owners are Independent Third Parties, at the Placing Price of HK\$2.40 per Placing Share.

THE COMPLETION OF CPS CONVERSION

Based on the final number of the Placing Shares placed pursuant to the Placing and for the purpose of the Company meeting the minimum public float requirement under Rule 8.08 of the Listing Rules, the Company has allotted and issued a total of 270,000,000 Conversion Shares to New Guotsing Holdco pursuant to the CPS Conversion. As at the date of this announcement, New Guotsing Holdco holds an aggregate of 270,000,000 Shares, representing approximately 40.90% of the issued Shares as enlarged by the Placing and the CPS Conversion.

Reference is made to the announcement of the Company dated 17 December 2015 (the “**Announcement**”) in relation to, among other matters, placing of new Shares under the Specific Placing Mandate and the CPS Conversion. Unless otherwise defined in this announcement, defined terms used herein should have the same meaning as those ascribed to in the Announcement.

THE COMPLETION OF PLACING

The Board is pleased to announce that the condition of the Placing has been fulfilled and the completion of the Placing took place on 12 January 2016 in accordance with the terms of the Placing Agreement. An aggregate of 90,202,500 Placing Shares have been successfully placed by the Placing Agents to not fewer than six Placees at the Placing Price of HK\$2.40 per Placing Share.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, (i) each of the Placees and, where appropriate, their respective ultimate beneficial owners, is an Independent Third Party; and (ii) none of the Placees becomes a substantial Shareholder (as defined under the Listing Rules) upon completion of the Placing and the CPS Conversion. The net proceeds from the Placing are approximately HK\$214.9 million. The net proceeds from the Placing will be applied in accordance with the allocation as stated in the Announcement on a pro-rata basis, namely (i) approximately HK\$42.1 million, representing 19.6% of the net placing proceeds, be applied in and towards the repayment of portion of the short-term bank loans that will mature in early 2016; (ii) approximately HK\$159.0 million, representing 74.0% of the net placing proceeds, be applied in and towards the payment for development costs of the five property projects of the Group in Singapore that would be due between January 2016 to March 2016; and (iii) approximately HK\$13.8 million, representing 6.4% of the net placing proceeds, for the general working capital and activities of the Group.

CPS CONVERSION

As stated in the Announcement, on 17 December 2015, the Company received a conversion notice from New Guotsing Holdco in respect of the conversion of up to an aggregate of 647,273,454 CPS held by it.

Based on the final number of 90,202,500 Placing Shares placed pursuant to the Placing and for the purpose of the Company meeting the minimum public float requirement under Rule 8.08 of the Listing Rules, the Company has allotted and issued a total of 270,000,000 Conversion Shares to New Guotsing Holdco. As at the date of this announcement, New Guotsing Holdco holds an aggregate of 270,000,000 Shares and 377,273,454 CPS. The 270,000,000 Conversion Shares allotted to New Guotsing Holdco pursuant to the CPS Conversion represent approximately 40.90% of the issued Shares as enlarged by the Placing and the CPS Conversion.

EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING COMPLETION OF THE PLACING AND THE CPS CONVERSION

The table below sets out the shareholding structure of the Company immediately before and after the completion of the Placing and the CPS Conversion:

	Immediately before the completion of the Placing and the CPS Conversion			Immediately after the completion of the Placing and the CPS Conversion		
	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						
CNQC Development	224,145,000	74.71%	—	224,145,000	33.95%	—
New Guotsing Holdco (note 2)	—	—	647,273,454	270,000,000	40.90%	377,273,454
Trustee	—	—	304,599,273	—	—	304,599,273
<i>Sub total</i>	<u>224,145,000</u>	<u>74.71%</u>	<u>951,872,727</u>	<u>494,145,000</u>	<u>74.85%</u>	<u>681,872,727</u>
Public						
Public Shareholders immediately before the Placing	75,855,000	25.29%	—	75,855,000	11.49%	—
Places upon completion of Placing	—	—	—	90,202,500	13.66%	—
Total	<u>300,000,000</u>	<u>100%</u>	<u>951,872,727</u>	<u>660,202,500</u>	<u>100%</u>	<u>681,872,727</u>

Notes:

1. The CPS is convertible into Shares on a conversion ratio of 1:1.
2. As stated in the Poll Result Announcement, the Executive has granted the Whitewash Waiver to New Guotsing Holdco pursuant to Note 1 on dispensation from Rule 26 of the Takeovers Code and New Guotsing Holdco is not required to make a mandatory offer which will otherwise be required as a result of the CPS Conversion. The relevant resolution in relation to the Whitewash Waiver was also duly passed by the Independent Shareholders in the EGM.

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

Hong Kong, 12 January 2016

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.