

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

FINAL RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2014

The board (the “Board”) of directors (the “Directors”) of CNQC International Holdings Limited (formerly known as Sunley Holdings Limited) (the “Company” and its subsidiaries, collectively the “Group”) is pleased to present the Group’s audited consolidated results for the nine months ended 31 December 2014 (the “Reporting Period”), together with the relevant figures for the year ended 31 March 2014 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 31 December 2014

		Nine months ended 31 December 2014 HK\$'000	Year ended 31 March 2014 HK\$'000
	<i>Note</i>		
Revenue	3	957,919	1,218,198
Cost of sales	4	(784,629)	(989,861)
Gross profit		173,290	228,337
Other gains/(losses)	3	1,040	(2,437)
General and administrative expenses	4	(44,804)	(39,117)
Operating profit		129,526	186,783
Finance income		401	190
Finance costs		(4,783)	(5,066)
Finance costs, net	5	(4,382)	(4,876)
Profit before income tax		125,144	181,907
Income tax expense	6	(18,795)	(26,111)
Profit and total comprehensive income for the period/ year attributable to owners of the Company		106,349	155,796
Basic and diluted earnings per share (<i>HK cents</i>)	7	35.4	51.9
Dividend	8	–	150,000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	<i>Note</i>	As at 31 December 2014 HK\$'000	As at 31 March 2014 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		341,675	315,959
Goodwill		13,022	13,022
Prepayment and deposits	9	2,215	–
Deferred taxation		–	43
		356,912	329,024
Current assets			
Trade and other receivables, prepayments and deposits	9	329,404	177,392
Amounts due from customers for contract work		44,406	40,672
Tax recoverable		33	480
Cash and cash equivalents		113,121	188,885
		486,964	407,429
Total assets		843,876	736,453
EQUITY			
Capital and reserves			
Share capital	11	3,000	3,000
Share premium		57,320	57,320
Other reserves		103,216	97,897
Retained earnings		203,870	97,521
Total equity		367,406	255,738
LIABILITIES			
Non-current liabilities			
Borrowings		86,675	78,445
Deferred taxation		38,377	30,098
		125,052	108,543
Current liabilities			
Trade and other payables	10	209,756	89,374
Borrowings		128,865	118,570
Tax payable		12,797	14,228
Dividend payable		–	150,000
		351,418	372,172
Total liabilities		476,470	480,715
Total equity and liabilities		843,876	736,453
Net current assets		135,546	35,257
Total assets less current liabilities		492,458	364,281

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

CNQC International Holdings Limited (formerly known as Sunley Holdings Limited) (the “Company”) is an investment holding company. The Company and its subsidiaries (together, the “Group”) are principally engaged in the foundation business and machinery rental business in Hong Kong and Macau.

The Company is a limited liability company incorporated in the Cayman Islands. The address of the Company’s registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These consolidated financial statements are presented in thousands of Hong Kong Dollar (“HK\$’000”), unless otherwise stated, and have been approved for issue by the Board of Directors on 18 March 2015.

2 BASIS OF PREPARATION AND APPLICATION OF NEW ACCOUNTING STANDARDS

The consolidated financial statements of the Company have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The consolidated financial statements have been prepared under the historical cost convention.

The following amendments to standards and interpretation have been adopted by the Group for the first time for the financial period beginning on or after 1 April 2014:

HKFRS 10, HKFRS 12 and HKAS 27 (2011) (amendment)	Investment entities
HKAS 32 (amendment)	Financial instruments: presentation — offsetting financial assets and financial liabilities
HKAS 36 (amendment)	Recoverable amount disclosures for non-financial assets
HKAS 39 (amendment)	Novation of derivatives and continuation of hedge accounting
HK(IFRIC)-Int 21	Levies

The Group has assessed the impact of the adoption of these amendments to standards and interpretation and considered that there was no significant impact on the Group’s results and financial position nor any substantial changes in the Group’s accounting policies.

3 REVENUE AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents the amounts that can be recognized in accordance with the respective stage of completion of construction contracts and rental income on machinery in the ordinary course of business. Revenue and other gains/(losses) recognised during the respective period/year are as follows:

	Nine months ended 31 December 2014 HK\$'000	Year ended 31 March 2014 HK\$'000
Revenue		
Construction contracts income	956,255	1,218,187
Rental income on machinery	1,664	11
	<u>957,919</u>	<u>1,218,198</u>
Other gains/(losses)		
Impairment of property, plant and equipment	–	(4,151)
Gain on disposal of property, plant and equipment	600	1,320
Others	440	394
	<u>1,040</u>	<u>(2,437)</u>

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker being the Board. As the Group is principally engaged in foundation business and machinery leasing business in Hong Kong and Macau, and resources are allocated based on what is beneficial to the Group in enhancing the value as a whole rather than any specific unit, the Group's chief operating decision maker considers the performance assessment of the Group should be based on the profit before income tax of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirements of HKFRS 8.

The Group primarily operates in Hong Kong and Macau, and its revenue is derived as follows:

	Nine months ended 31 December 2014 HK\$'000	Year ended 31 March 2014 HK\$'000
Hong Kong	794,916	885,437
Macau	163,003	332,761
	<u>957,919</u>	<u>1,218,198</u>

There were 4 (for the year ended 31 March 2014: 3) customers which individually contributed over 10% of the Group's revenue for the nine months ended 31 December 2014. The aggregate amount of revenue from these customers amounted to approximately 66% of the Group's total revenue for the nine months ended 31 December 2014 (for the year ended 31 March 2014: approximately 57%).

4 EXPENSES BY NATURE

	Nine months ended 31 December 2014 <i>HK\$'000</i>	Year ended 31 March 2014 <i>HK\$'000</i>
Cost of sales		
Construction material costs	349,450	480,459
Subcontracting charges	279,395	337,369
Staff costs	113,472	123,701
Depreciation of owned assets	20,334	21,042
Depreciation of assets under finance leases	21,978	27,290
	<u>784,629</u>	<u>989,861</u>
General and administrative expenses		
Auditors' remuneration	1,815	1,949
Building management fee	474	332
Staff costs, including directors' emoluments	24,327	18,392
Depreciation	620	996
Operating lease rental on land and buildings	3,064	2,175
Transportation	1,692	2,733
Legal and professional fees	5,212	3,186
Insurance	1,704	1,834
Repair and maintenance	2,783	4,450
Other expenses	3,113	3,070
	<u>44,804</u>	<u>39,117</u>
Total cost of sales and general and administrative expenses	<u><u>829,433</u></u>	<u><u>1,028,978</u></u>

5 FINANCE COSTS, NET

	Nine months ended 31 December 2014 <i>HK\$'000</i>	Year ended 31 March 2014 <i>HK\$'000</i>
Interest on finance leases wholly repayable within 5 years	3,347	4,156
Interest on bank borrowings wholly repayable within 5 years	1,436	910
Interest income	<u>(401)</u>	<u>(190)</u>
	<u><u>4,382</u></u>	<u><u>4,876</u></u>

No interest (for the year ended 31 March 2014: Nil) was capitalised during the nine months ended 31 December 2014.

6 INCOME TAX EXPENSE

Hong Kong and Macau profits tax have been provided at the rate of 16.5% and 12% respectively for the year ended 31 March 2014 and the nine months ended 31 December 2014 on the estimated assessable profit for the respective year/period.

	Nine months ended 31 December 2014 HK\$'000	Year ended 31 March 2014 HK\$'000
Current income tax		
— Hong Kong profits tax	586	5,099
— Macau profits tax	9,915	14,776
Over-provision in prior years		
— Hong Kong profits tax	(28)	(10)
Deferred income tax	8,322	6,246
	<hr/>	<hr/>
Income tax expense	18,795	26,111
	<hr/>	<hr/>

7 EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year/period.

	Nine months ended 31 December 2014	Year ended 31 March 2014
Profit attributable to owners of the Company (HK\$'000)	106,349	155,796
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (<i>in thousand</i>)	300,000	300,000
Basic earnings per share (HK cents)	35.4	51.9

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Share issuable under the share option scheme is the only category of dilutive potential ordinary shares. A calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's share in the relevant periods) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Nine months ended 31 December 2014	Year ended 31 March 2014
Diluted earnings per share (<i>HK cents</i>)	35.4	51.9

Diluted earnings per share for the nine months ended 31 December 2014 is the same as basic earnings per share as the exercise of the outstanding share options would be anti-dilutive. Diluted earnings per share for the year ended 31 March 2014 is equivalent to basic earnings per share as there were no potential dilutive shares outstanding during the year.

8 DIVIDEND

	Nine months ended 31 December 2014 <i>HK\$'000</i>	Year ended 31 March 2014 <i>HK\$'000</i>
Special, paid (<i>note</i>)	<u>–</u>	<u>150,000</u>

Note: For the year ended 31 March 2014, pursuant to the board resolution passed on 26 February 2014, the Group declared a special dividend amounting to HK\$150,000,000 relating to the year ended 31 March 2014 subject to completion of the acquisition of 225,000,000 shares of the Company by CNQC Development Limited from Leading Win Management Limited. Completion of the aforesaid acquisition took place on 17 March 2014. The amount of special dividend was paid in June 2014.

9 TRADE AND OTHER RECEIVABLES

	As at 31 December 2014 HK\$'000	As at 31 March 2014 HK\$'000
Contract receivables	207,211	87,011
Retention receivables	103,869	84,630
	<hr/>	<hr/>
Total trade receivables	311,080	171,641
Other receivables, deposits and prepayments (<i>note d</i>)	20,539	5,751
	<hr/>	<hr/>
	331,619	177,392
	<hr/>	<hr/>
Less: prepayment and deposits — non-current portion	2,215	—
	<hr/>	<hr/>
Current portion	329,404	177,392
	<hr/>	<hr/>

Notes:

- (a) The credit periods granted to customers were 14 to 60 days.
- (b) The aging analysis of the Group's contract receivables based on invoice date is as follows:

	As at 31 December 2014 HK\$'000	As at 31 March 2014 HK\$'000
0–30 days	201,727	86,991
31–60 days	1,589	—
61–90 days	—	—
Over 90 days	3,895	20
	<hr/>	<hr/>
	207,211	87,011
	<hr/>	<hr/>

Contract receivables of approximately HK\$203,316,000 as at 31 December 2014 (as at 31 March 2014: approximately HK\$86,991,000) were not yet past due and approximately HK\$3,895,000 as at 31 December 2014 (as at 31 March 2014: approximately HK\$20,000) were past due but not impaired. These relate to contract receivables from a number of independent customers for whom there is no recent history of default and no provision has therefore been made. As at 31 December 2014, no trade receivables (as at 31 March 2014: Nil) were impaired. Retention receivables were not yet past due as at 31 December 2014 and will be settled in accordance with the terms of the respective contracts.

- (c) The other classes within trade and other receivables do not contain impaired assets. The Group does not hold any collateral as security.
- (d) The amount as at 31 December 2014 mainly represents construction site deposits, prepayments for insurance and purchase of materials. The amount as at 31 March 2014 mainly represented prepayments for purchases of materials.

- (e) The carrying amounts of trade and other receivables approximate their fair values and are denominated in the following currencies:

	As at 31 December 2014 HK\$'000	As at 31 March 2014 HK\$'000
Hong Kong Dollar	298,724	160,351
Macau Pataca	32,895	17,041
	<u>331,619</u>	<u>177,392</u>

10 TRADE AND OTHER PAYABLES

	As at 31 December 2014 HK\$'000	As at 31 March 2014 HK\$'000
Trade payables	122,427	82,674
Accruals for construction costs	65,419	–
Other accruals (<i>note c</i>)	21,910	6,700
	<u>209,756</u>	<u>89,374</u>

Notes:

- (a) The carrying amounts of trade and other payables approximate their fair values and are mainly denominated in Hong Kong Dollar.
- (b) Payment terms granted by suppliers were 14 to 60 days from the invoice date of the relevant purchases.

The aging analysis of the Group's trade payables based on the invoice date is as follows:

	As at 31 December 2014 HK\$'000	As at 31 March 2014 HK\$'000
0–30 days	108,079	74,778
31–60 days	12,286	7,748
61–90 days	1,099	2
Over 90 days	963	146
	<u>122,427</u>	<u>82,674</u>

- (c) Other accruals mainly relate to the accrued staff benefits and accrued legal and professional expenses.

11 SHARE CAPITAL

	Ordinary shares of HK\$0.01 each Number of shares	Nominal amount HK\$'000
Authorised:		
Ordinary shares as at 31 March 2014 and 31 December 2014	2,000,000,000	20,000
Issued and fully paid:		
Ordinary shares as at 31 March 2014 and 31 December 2014	300,000,000	3,000

12 CONTINGENT LIABILITIES

(a) At each statement of financial position date, the Group had the following contingent liabilities:

	As at 31 December 2014 HK\$'000	As at 31 March 2014 HK\$'000
Guarantees on performance bonds in respect of construction contracts	64,489	27,231

(b) Pending litigation

In the ordinary course of the Group's contract works business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the Group's subcontractors in accidents arising out of and in the course of their employment. The directors are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group. No provision has been made in respect of these claims in the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Change of Financial Year End

Pursuant to a resolution of the Board of Directors passed on 24 November 2014, the Company's financial year end date was changed from 31 March to 31 December. Accordingly, the current financial period covers the nine-month period from 1 April 2014 to 31 December 2014 ("the Reporting Period"), and the last year figures cover a twelve-month period from 1 April 2013 to 31 March 2014 ("year ended 31 March 2014"), which may not be comparable with the amounts shown for the current period.

Business Review

During the Reporting Period, the Group's major source of income was from construction business, and the revenue from machinery leasing was minimal as most of the machines were in full capacity during the Reporting Period. Geographically, Hong Kong continues to be the Group's key market, representing approximately 83.0% of total revenue during the Reporting Period (year ended 31 March 2014: approximately 72.7%).

Construction business

The construction projects undertaken by the Group can be broadly divided into foundation works and ancillary services with particular specialisation in piling works. The Group undertakes foundation work related projects in both the public sector (including building and infrastructure related projects) and the private sector in Hong Kong and Macau respectively.

The Group's revenue from the construction contracts for the Reporting Period was approximately HK\$956.3 million (year ended 31 March 2014: approximately HK\$1,218.2 million). During the Reporting Period, the Group commenced work of several new sizable projects including Tseung Kwan O Town Lot No. 95, Shek Kip Mei Estate Phase 6, Tsing Yi Town Lot No. 181 and Ma On Shan Shatin Town Lot No. 482, with total contract sum of approximately HK\$1.5 billion. The latter three projects were awarded at the last quarter of the Reporting Period. The revenue from these projects together with other ongoing significant projects, including Tsuen Wan Town Lot No. 402, Yuen Long Town Lot No. 518 and Cotai in Macau was approximately HK\$711.5 million (year ended 31 March 2014: approximately HK\$716.5 million).

Financial Review

Revenue

The Group's total revenue for the Reporting Period was approximately HK\$957.9 million (year ended 31 March 2014: approximately HK\$1,218.2 million). During the Reporting Period, the revenue derived from the projects in Hong Kong was approximately HK\$794.9 million (year ended 31 March 2014: approximately HK\$885.4 million) whereas those in Macau was approximately HK\$163.0 million (year ended 31 March 2014: approximately HK\$332.8 million). The revenue from machinery leasing was only approximately HK\$1.7 million (year ended 31 March 2014: approximately HK\$0.01 million).

Gross Profit Margin

The Group's gross profit margin during the Reporting Period was approximately 18.1% (year ended 31 March 2014: approximately 18.7%). Despite the continuing increase in labour cost and subcontractor charges during the Reporting Period (as compared with last year), the Group managed to achieve cost efficiency through foundation design optimization, more competitive sub-contractor selection process and also adjusting the tender price of the construction projects correspondingly in order to reflect the increase in costs and to maintain the gross profit margin.

General and Administrative Expenses

The Group's general and administrative expenses for the Reporting Period were approximately HK\$44.8 million (year ended 31 March 2014: approximately HK\$39.1 million), which was approximately 4.7% (year ended 31 March 2014: approximately 3.2%) of the Group's total revenue. This was mainly attributable to the general increase in staff costs including Directors' emoluments incurred and the grant of share options during the Reporting Period.

Net Profit

During the Reporting Period, the Group reported a net profit attributable to owners of the Company of approximately HK\$106.3 million (year ended 31 March 2014: net profit of approximately HK\$155.8 million).

Prospects

After the Reporting Period and up to the date of this announcement, the Group was just awarded foundation work contracts for the Kwun Tong Inland Lot No. 402 and Shatin Town Lot No. 578 with an aggregate contract sum of HK\$615.7 million. With the continual demand of construction work in Hong Kong, the management expects that there will be a lot of tendering opportunities ahead.

Upon completion of a series of foundation projects in Cotai Macau, the Group is contemplating possible foundation work in other Asia Pacific regions in the future. In addition, by making use of the existing superstructure construction licence of one of the subsidiaries, the Group intends to strengthen the superstructure construction business in the years to come. The Group will seek various opportunities so as to enhance value and deliver sustainable returns to shareholders in the long run.

Debts and Charge on Assets

The total interest bearing bank borrowings of the Group, including bank loans and finance leases, increased from approximately HK\$197.0 million as at 31 March 2014 to approximately HK\$215.5 million as at 31 December 2014. All borrowings were denominated in Hong Kong Dollar. Interests on bank borrowings were charged at floating rates. The Group currently does not have an interest rate hedging policy and the Group monitors interest risks continuously and considers hedging any excessive risk when necessary.

These banking facilities were secured by the Group's property, plant and equipment with an aggregate net book value of approximately HK\$213.6 million and approximately HK\$172.4 million as at 31 December 2014 and 31 March 2014 respectively.

Liquidity, Financial Resources and Capital Structure

The Group has funded the liquidity and capital requirements primarily through capital contributions from shareholders, bank borrowings and cash inflows from the operating activities.

As at 31 December 2014, the Group had cash and bank balances of approximately HK\$113.1 million (as at 31 March 2014: approximately HK\$188.9 million) of which approximately 86.9% was held in Hong Kong dollar and the remaining was mainly held in Macau Pataca. The decrease was mainly due to the distribution of a special dividend in cash of HK\$0.50 per share with an aggregate amount of HK\$150.0 million on 30 June 2014. The gearing ratio of the Group as at 31 December 2014 (defined as the total interest-bearing debts divided by shareholder's equity) was approximately 58.7% (as at 31 March 2014: approximately 77.0%).

During the Reporting Period, the Group did not employ any financial instrument for hedging purposes.

Foreign Exchange

Since the Group mainly operates in Hong Kong and Macau and most of the revenue and transactions arising from its operations were settled in Hong Kong Dollar and Macau Pataca, and the Group's assets and liabilities were primarily denominated in Hong Kong Dollar and Macau Pataca, the Board believes that the Group will have sufficient foreign exchange to meet its foreign exchange requirements. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates and has not adopted any currency hedging policy or other hedging instruments during the Reporting Period.

Significant Investment, Material Acquisition and Disposal of Subsidiaries and Associated Companies

During the Reporting Period, there was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company.

Capital Commitments

As at 31 December 2014, the Group had capital commitments of approximately HK\$12.4 million (as at 31 March 2014: Nil).

Contingent Liabilities

Save as disclosed in note 12 to the financial information in this announcement, the Group had no other contingent liabilities as at 31 December 2014 and 31 March 2014.

Restoration of Public Float, Appointment of Chief Financial Officer, Change of Company Secretary and Authorised Representative and Change of Company Name, Stock Short Name and Website

The public float was restored in June 2014 as a result of the completion of the placing of 41,645,000 shares of the Company by CNQC Development Limited to independent placees at a price of HK\$2.40 per share, for details, please refer to the announcement of the Company dated 23 June 2014.

For the appointment of chief financial officer, change of company secretary and authorised representative of the Company, please refer to the announcement of the Company dated 12 May 2014.

By a special resolution approving the change of the Company's name by the shareholders at the annual general meeting held on 11 August 2014, the name of the Company was changed from "Sunley Holdings Limited (新利控股有限公司)" to "CNQC International Holdings Limited (青建國際控股有限公司)", for details, please refer to the announcements of the Company dated 9 July 2014, 11 August 2014 and 16 September 2014 and the circular of the Company dated 11 July 2014. Subsequent to the change of name of the Company, the stock short name of the Company was changed to "CNQC INT'L" in English and "青建國際" in Chinese and the website of the Company was changed to www.cnqc.com.hk.

Event After the Reporting Period

There are no significant events after the Reporting Period and up to the date of this announcement.

Employees and Remuneration Policy

As at 31 December 2014, the Group had 310 full-time employees (as at 31 March 2014: 298 full-time employees). Most of the Group's employees were based in Hong Kong.

The remuneration policy and package of the Group's employees were periodically reviewed. Apart from mandatory provident fund and in-house training programmes, salaries increment and discretionary bonuses may be awarded to employees according to the assessment of individual performance.

The total remuneration cost incurred by the Group for the Reporting Period was approximately HK\$137.8 million (year ended 31 March 2014: approximately HK\$142.1 million).

Share Options

On 27 June 2014, the Company offered to grant an aggregate of 19,500,000 share options (the "Share Options") to certain Directors, employees and consultants of the Group (collectively, the "Grantees") under its share option scheme adopted on 11 September 2012 (the "Share Option Scheme"). The Share Options will enable the Grantees to subscribe for an aggregate of 19,500,000 new Shares, representing 6.5% of the issued share capital of the Company as at the date of grant subject to certain vesting periods. For further details, please refer to the announcement of the Company dated 27 June 2014.

Final Dividend

The Board did not recommend the payment of final dividend in respect of the Reporting Period (year ended 31 March 2014: HK\$Nil).

Purchase, Sale and Redemption of the Company's Securities

During the Reporting Period, neither the Company nor any of the subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Corporate Governance

Corporate Governance Code

The Company had complied with all the applicable code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the Reporting Period.

Code of Conduct Regarding Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the Reporting Period.

Audit Committee and Review of Financial Information

The audit committee of the Company has reviewed the Company's management accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters related to the preparation of the consolidated financial statements for the Reporting Period. It has also reviewed the audited consolidated financial statements for the Reporting Period and recommended them to the Board for approval.

By Order of the Board
CNQC International Holdings Limited
Du Bo
Chairman

Hong Kong, 18 March 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.