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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)

**(1) COMPLETION OF THE ACQUISITION AND
THE ISSUE OF CPS**

**(2) INCREASE IN AUTHORISED SHARE CAPITAL AND
CREATION OF THE CPS**

The Board is pleased to announce that with all the conditions precedent of Share Purchase Agreement being fulfilled, completion of the Acquisition pursuant to the Share Purchase Agreement and the issue of the CPS took place on 15 October 2015.

Reference is made to the announcements dated 23 May 2015, 8 June 2015 and 25 September 2015 issued by CNQC International Holdings Limited (the “**Company**”), and the circular dated 25 September 2015 issued by the Company (the “**Circular**”) in relation to, among others, the Acquisition and the issue of the CPS. Unless otherwise defined in this announcement, capitalised terms defined in the Circular shall have the same meanings when used herein.

COMPLETION OF THE ACQUISITION AND THE ISSUE OF CPS

The Board is pleased to announce that all the conditions precedent under the Share Purchase Agreement have been fulfilled. The Acquisition and the issue of CPS were completed on 15 October 2015. Upon Completion, the Target Company has become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

Upon Completion, the Company issued 951,872,727 CPS (which are convertible into 951,872,727 Shares) of which 647,273,454 CPS were issued to and held by New Guotsing Holdco and 304,599,273 CPS were issued to and held by the Trustee. Accordingly, the Company has two classes of shares, being the Shares and the CPS.

As the CPS are non-voting (except for resolutions to be proposed at a general meeting for the winding-up of the Company or resolutions which if passed would vary or abrogate the rights or privileges of the CPS or vary the restrictions to which the CPS are subject) and none of these CPS has been converted into Shares as at the date of this announcement, CNQC Development remains as the controlling shareholder of the Company. Any 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.

The CPS were allotted and issued, and the Conversion Shares upon conversion of the CPS will be allotted and issued, under the Specific Mandate granted to the Board by the Independent Shareholders at the EGM held on 14 October 2015. Listing approval for the Conversion Shares has been granted by the Stock Exchange.

Details of the shareholding structure of the Company immediately after Completion:

	(1)			(2)			(3)		
	Immediately after Completion			Assuming no placing of new shares to public shareholders and all CPS held by New Guotsing Holdco are converted into Conversion 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 are converted into Conversion Shares (for illustration only) (note 3)		
	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									
CNQC Development	224,145,000	74.7%	—	224,145,000	23.7%	—	224,145,000	19.3%	—
New Guotsing Holdco	—	—	647,273,454	647,273,454	68.3%	—	647,273,454	55.7%	—
<i>Subtotal of New Guotsing Concert Group</i>	224,145,000	74.7%	647,273,454	871,418,454	92.0%	—	871,418,454	75.0%	—
Trustee (note 4)	—	—	304,599,273	—	—	304,599,273	—	—	304,599,273
	<u>224,145,000</u>	<u>74.7%</u>	<u>951,872,727</u>	<u>871,418,454</u>	<u>92.0%</u>	<u>304,599,273</u>	<u>871,418,454</u>	<u>75.0%</u>	<u>304,599,273</u>
Public									
Public Shareholders as at the date of this announcement	75,855,000	25.3%	—	75,855,000	8.0%	—	75,855,000	6.5%	—
New public shareholders upon placing of 215.0 million new Shares by the Company under Scenario(3) (note 5)	—	—	—	—	—	—	215,000,000	18.5%	—
Total	<u>300,000,000</u>	<u>100.0%</u>	<u>951,872,727</u>	<u>947,273,454</u>	<u>100.0%</u>	<u>304,599,273</u>	<u>1,162,273,454</u>	<u>100.0%</u>	<u>304,599,273</u>

Notes:

1. The CPS is convertible into Shares on a conversion ratio of 1:1.

2. This represents the shareholding structure of the Company assuming all of 647,273,454 CPS issued and allotted by the Company at Completion to New Guotsing Holdco are converted into Shares. This is for illustration purposes only and does not reflect the actual shareholding structure of the Company upon conversion of the CPS as the exercise of the conversion rights attaching to the CPS is subject to the Company meeting the minimum public float requirement under Rule 8.08 of the Listing Rules.
3. 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); 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.
4. This represents the Trustee appointed to administer the Management Share Scheme whom was 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 it being transferred to the Selected Participants.
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 pursuant to the Specific Placing Mandate 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.

INCREASE IN AUTHORISED SHARE CAPITAL AND CREATION OF THE CPS

Following the passing of the ordinary resolution at the EGM held on 14 October 2015, the authorised share capital of the Company has been increased from HK\$20,000,000 divided into 2,000,000,000 Shares of par value of HK\$0.01 each to HK\$70,000,000 divided into (i) 6,000,000,000 Shares of HK\$0.01 each and (ii) 1,000,000,000 CPS of HK\$0.01 each.

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

Hong Kong, 15 October 2015

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

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