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CNQC Development Limited

青建發展有限公司

*(Incorporated in the British Virgin Islands
with limited liability)*

Sunley Holdings Limited

新利控股有限公司

*(Incorporated in the Cayman Islands
with limited liability)*

(Stock Code: 1240)

JOINT ANNOUNCEMENT

**(1) CLOSE OF MANDATORY UNCONDITIONAL CASH OFFER BY
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED
ON BEHALF OF CNQC DEVELOPMENT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES
IN THE ISSUED SHARE CAPITAL OF
SUNLEY HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY CNQC DEVELOPMENT LIMITED
AND/OR PARTIES ACTING IN CONCERT WITH IT)**

(2) PUBLIC FLOAT AND SUSPENSION OF TRADING

**(3) RESIGNATION OF DIRECTORS AND CHAIRMAN OF THE BOARD
AND**

(4) APPOINTMENT OF DIRECTORS AND CHAIRMAN OF THE BOARD

Financial Adviser to CNQC Development Limited

HSBC

CLOSE OF THE OFFER

The Offeror and the Target jointly announce that the Offer was closed at 4:00 p.m. on Friday, 11 April 2014 and was not revised or extended by the Offeror.

As at 4:00 p.m. on Friday, 11 April 2014, being the latest time and date for acceptance of the Offer as set out in the Composite Document, the Offeror had received valid acceptances in respect of a total of 40,790,000 Offer Shares under the Offer, representing approximately 13.6% of the entire issued share capital of the Target as at the date of this joint announcement.

Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer has been or will be despatched to the Offer Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event within 7 Business Days after the date of receipt by the Registrar all relevant documents (receipt of which renders such acceptance complete and valid) in accordance with the Takeovers Code.

PUBLIC FLOAT AND SUSPENSION OF TRADING

Immediately after the close of the Offer, 34,210,000 Shares, representing approximately 11.4% of the entire issued share capital of the Target, are held by the public (within the meanings of the Listing Rules). Accordingly, the minimum public float requirement as set out under Rule 8.08(1)(a) of the Listing Rules is not satisfied. An application will be made to the Stock Exchange for a waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for the period from 11 April 2014 up to and including 10 July 2014. The Offeror and the Target will take appropriate steps, including but not limited to disposing of some of the Shares held by the Offeror to third parties, to restore the required minimum public float as soon as possible.

Pursuant to Note 1 of Rule 8.08(1) of the Listing Rules, trading in the Shares will be suspended from 9:00 a.m. on Monday, 14 April 2014 since the percentage of public float fell below 15% following the close of the Offer. Announcement(s) will be made by the Target regarding the restoration of public float and resumption of trading in the Shares as soon as possible.

At the request of the Target, trading in the Shares on the Stock Exchange will be suspended with effect from 9:00 a.m. on 14 April 2014.

RESIGNATION OF DIRECTORS AND CHAIRMAN OF THE BOARD

With effect from the close of the Offer at 4:00 p.m. on 11 April 2014, (i) Dr. Ho Kar Chung resigned from his office of executive Director and chairman of the Board; and (ii) Mr. Leung Chee Hon resigned from his office of non-executive Director.

APPOINTMENT OF DIRECTORS AND CHAIRMAN OF THE BOARD

With effect from the close of the Offer at 4:00 p.m. on 11 April 2014, (i) Mr. Du Bo was appointed as an executive Director and chairman of the Board, (ii) Mr. Zhang Yuqiang was appointed as an executive Director, (iii) Mr. Zhang Zhihua was appointed as a non-executive Director, and (iv) Mr. Ding Hongbin was appointed as a non-executive Director.

Reference is made to the composite offer and response document dated 21 March 2014 (the “**Composite Document**”) jointly issued by CNQC Development Limited (the “**Offeror**”) and Sunley Holdings Limited (the “**Target**”) in respect of the mandatory unconditional cash offer by The Hongkong and Shanghai Banking Corporation Limited, on behalf of the Offeror, for all the issued shares in the issued share capital of the Target not already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it (the “**Offer**”). Terms used herein shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

CLOSE OF THE OFFER

The Offeror and the Target jointly announce that the Offer was closed at 4:00 p.m. on Friday, 11 April 2014 and was not revised or extended by the Offeror.

As at 4:00 p.m. on Friday, 11 April 2014, being the latest time and date for acceptance of the Offer as set out in the Composite Document, the Offeror had received valid acceptances in respect of a total of 40,790,000 Offer Shares under the Offer, representing approximately 13.6% of the entire issued share capital of the Target as at the date of this joint announcement.

Remittances in respect of the cash consideration (after deducting the seller’s ad valorem stamp duty) payable for the Offer Shares tendered under the Offer has been or will be despatched to the Offer Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event within 7 Business Days after the date of receipt by the Registrar all relevant documents (receipt of which renders such acceptance complete and valid) in accordance with the Takeovers Code.

SHAREHOLDING STRUCTURE OF THE TARGET

Immediately before the commencement of the Offer Period on 14 February 2014, the Offeror and parties acting in concert with it did not own, control or direct any Shares, convertible securities, warrants, options of the Target or any derivatives in respect of such securities. Upon Completion but prior to commencement of the Offer, the Offeror and parties acting in concert with it were interested in 225,000,000 Shares, representing 75% of the entire issued share capital of the Target.

During the Offer Period, there were valid acceptances in respect of a total of 40,790,000 Offer Shares, representing approximately 13.6% of the entire issued share capital of the Target under the Offer. Immediately after the close of the Offer, taking into account the valid acceptance in respect of 40,790,000 Offer Shares under the Offer, the Offeror and parties acting in concert with it are interested in an aggregate of 265,790,000 Shares,

representing approximately 88.6% of the entire issued share capital of the Target as at the date of this joint announcement. Save as the aforesaid, neither the Offeror nor parties acting in concert with it had acquired or agreed to acquire any Shares or rights over the Shares during the Offer Period.

Set out below is the shareholding structure of the Target (i) immediately after Completion and before the commencement of the Offer and (ii) immediately upon close of the Offer and as at the date of this joint announcement.

	Immediately after the Completion and before the commencement of the Offer		Immediately upon close of the Offer and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>% (approximate)</i>
Offeror and parties acting in concert with it	225,000,000	75.0	265,790,000	88.6
Public	<u>75,000,000</u>	<u>25.0</u>	<u>34,210,000</u>	<u>11.4</u>
Total	<u><u>300,000,000</u></u>	<u><u>100.0</u></u>	<u><u>300,000,000</u></u>	<u><u>100.0</u></u>

Save for the acquisition of the Purchase Shares by the Offeror pursuant to the Share Purchase Agreement (which was completed on 17 March 2014) and the valid acceptance in respect of 40,790,000 Offer Shares under the Offer, none of the Offeror, the Offeror Parent, the ultimate beneficial owners of the Offeror Parent or any persons acting in concert with any of them owned or controlled any Shares, convertible securities, warrants, options of the Target or any derivatives in respect of such securities or had dealt for value in any Shares, convertible securities, warrants, options of the Target or any derivatives in respect of such securities during the Offer Period. Further, none of the Offeror, the Offeror Parent, the ultimate beneficial owners of the Offeror Parent or any persons acting in concert with any of them, had borrowed or lent any Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Target during the Offer Period.

PUBLIC FLOAT AND SUSPENSION OF TRADING

Immediately after the close of the Offer, 34,210,000 Shares, representing approximately 11.4% of the entire issued share capital of the Target, are held by the public (within the meanings of the Listing Rules). Accordingly, the minimum public float requirement as set out under Rule 8.08(1)(a) of the Listing Rules is not satisfied. An application will be made to the Stock Exchange for a waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for the period from 11 April 2014 up to and including 10 July 2014. The Offeror and the Target will take appropriate steps, including but not limited to disposing of some of the Shares held by the Offeror to third parties, to restore the required minimum public float as soon as possible.

Pursuant to Note 1 of Rule 8.08(1) of the Listing Rules, trading in the Shares will be suspended from 9:00 a.m. on Monday, 14 April 2014 since the percentage of public float fell below 15% following the close of the Offer. Announcement(s) will be made by the Target regarding the restoration of public float and resumption of trading in the Shares as soon as possible.

At the request of the Target, trading in the Shares on the Stock Exchange will be suspended with effect from 9:00 a.m. on 14 April 2014.

RESIGNATION OF DIRECTORS AND CHAIRMAN OF THE BOARD

With effect from the close of the Offer at 4:00 p.m. on 11 April 2014, (i) Dr. Ho Kar Chung resigned from his office of executive Director and chairman of the Board; and (ii) Mr. Leung Chee Hon resigned from his office of non-executive Director, due to change in control in the Target as a result of the Acquisition.

Each of Dr. Ho Kar Chung and Mr. Leung Chee Hon has respectively confirmed that (i) he has no disagreement with the Board; and (ii) there is no matter relating to his resignation that needs to be brought to the attention of the holders of securities of the Target.

APPOINTMENT OF DIRECTORS AND CHAIRMAN OF THE BOARD

With effect from the close of the Offer at 4:00 p.m. on 11 April 2014, (i) Mr. Du Bo was appointed as the chairman of the Board and an executive Director, (ii) Mr. Zhang Yuqiang was appointed as an executive Director, (iii) Mr. Zhang Zhihua was appointed as a non-executive Director, and (iv) Mr. Ding Hongbin was appointed as a non-executive Director.

Chairman of the Board and executive Director

Mr. Du Bo

Mr. Du Bo (杜波), aged 55, is the chairman of the board of directors of the Offeror and of the Offeror Parent, respectively. Mr. Du owns 3.6% interests in Qingjian Staff Union, which in turn holds 41.265% equity interest in the Offeror Parent through its wholly-owned subsidiary, 青島青建控股有限公司 (Qingdao Qingjian Holdings Co.*), and he holds 99.5% interest in Shanghai Heliyuan Investment Ltd., which in turn holds 30% interest in the Offeror Parent. He is also the single largest shareholder holding 24.81% interest in 青島博海投資有限公司 (Qingdao Bohai Investment Co Ltd*), which holds 66% equity interests in Qingdao Bohai Construction, who in turns hold 13.735% equity interest in the Offeror Parent. Each of Mr. Du and 青島博海投資有限公司 holds 20% and 50% equity interests in 北京博海瑞林控股有限公司 (Beijing Bohai Ruilin Holdings Co., Ltd.), respectively, which in turn holds 0.67% equity interest in Qingdao Bohai Construction. Mr. Du has extensive experience in the property construction industry both in the PRC and overseas.

Mr. Du qualified as a research associate in engineering application in 2000, and was awarded a special subsidy by the State Council of the PRC for his contribution in engineering technology in 2001. Mr. Du graduated from 山東建築工程學院 (Shandong Construction Engineering Institute*), now known as Shandong Jianzhu University (山東建築大學)) with a bachelor's degree in Engineering in 1982, and he obtained a doctorate in Management Science, specialized in Management Science and Engineering, from Tongji

University (同濟大學), the PRC, in 2004. Mr. Du is also a tutor or part-time professor of various tertiary educational institutions, among others, the lecturer of Tongji University (同濟大學), the tutors of doctor graduates Qingdao Technological University (青島理工大學) and Qingdao University (青島大學), and part time professor of Shandong Jianzhu University (山東建築大學) and Qingdao University (青島大學).

Mr. Du was appointed as the general manager of Qingjian in July 2001. He served as the chairman of the board of directors of Qingjian (from September 2007 to January 2013) and the chief executive officer of Qingjian (from September 2007 to December 2011). Mr. Du has become the chairman of the board of directors of the Offeror Parent since November 2012, during which he also acted the chief executive officer of the Offeror Parent from November 2012 to December 2013.

As at the date of this announcement, Mr. Du also performed the following roles: vice-chairman of 中國建築業協會建造師分會 (Branch of Constructors of the China Construction Industry Association*), vice-chairman of 山東省建築業協會 (Shandong Construction Industry Association*), vice-chairman of 山東省企業聯合會 (Shandong Enterprise Confederation*), 山東省企業家協會 (Shandong Enterprise Director Association*), 山東省工業經濟聯合會 (Shandong Federation of Industrial Economics*) and 山東省質量協會 (Shandong Quality Association*), vice-chairman of 青島市工商聯 (Qingdao General Chamber of Commerce*), and vice chairman of 青島市企業聯合會 (Qingdao Enterprise Federation*).

Mr. Du did not hold any position in the Target or any of its subsidiaries, nor directorship in any listed public companies in Hong Kong or overseas during the past three years. Save as disclosed above, he does not have any other relationship with any other directors, senior management or substantial or controlling shareholders of the Target.

Mr. Du has been appointed for a term commencing from 11 April 2014 until the closing of the forthcoming annual general meeting of the Target to be held in 2014. In accordance with the articles of association of the Target, Mr. Du shall be eligible for re-election at the forthcoming annual general meeting. His director's service agreement may be terminated by either the Target or Mr. Du by giving three months written notice or otherwise in accordance with the terms thereof. Mr. Du will be entitled to a director's fee of HK\$1,000,000 per annum which is determined with reference to his experiences and responsibilities and the prevailing market conditions.

As at the date of this joint announcement, save as disclosed above, Mr. Du does not have, and is not deemed to have, any interest in the shares, underlying shares or debentures of the Target within the meaning of Part XV of the SFO and he is not aware of any other matters that need to be brought to the attention of the holders of the securities of the Target.

Save as disclosed above, there is no other information in relation to Mr. Du that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

Executive Director

Mr. Zhang Yuqiang

Mr. Zhang Yuqiang (張玉強), aged 52, was appointed as an executive Director.

Mr. Zhang owns 0.5% interests in Qingjian Staff Union, which in turn holds 41.265% equity interest in the Offeror Parent through its wholly-owned subsidiary, 青島青建控股有限公司 (Qingdao Qingjian Holdings Co.*).

Mr. Zhang graduated from 山東建築工程學院 (Shandong Construction Engineering Institute*), the PRC, with a bachelor degree in Engineering in 1984. He obtained a master degree in Business Administration from Nankai University (南開大學), the PRC, in June 2010. Mr. Zhang qualified as a senior engineer in 1996.

Mr. Zhang acted as the deputy general manager of international business division of Qingjian from 2001 to 2007. During 2007 to 2012, he consecutively acted as the assistant to president of Qingjian and deputy general manager of the international business department and general manager of 青建集團股份公司阿爾及利亞分公司 (Algeria Branch Company of Qingjian*), vice-president of Qingjian and deputy president of the international business department of Qingjian. Mr. Zhang is now the vice-president of the Offeror Parent.

Mr. Zhang did not hold any position in the Target or any of its subsidiaries, nor directorship in any listed public companies in Hong Kong or overseas during the past three years. Save as disclosed above, he does not have any other relationship with any other directors, senior management or substantial or controlling shareholders of the Target.

Mr. Zhang has been appointed for a term commencing from 11 April 2014 until the closing of the forthcoming annual general meeting of the Target to be held in 2014. In accordance with the articles of association of the Target, Mr. Zhang shall be eligible for re-election at the forthcoming annual general meeting. His director's service agreement may be terminated by either the Target or Mr. Zhang by giving three months written notice or otherwise in accordance with the terms thereof. Mr. Zhang will be entitled to a director's fee of HK\$1,000,000 per annum which is determined with reference to his experiences and responsibilities and the prevailing market conditions.

As at the date of this joint announcement, Mr. Zhang does not have, and is not deemed to have, any interest in the shares, underlying shares or debentures of the Target within the meaning of Part XV of the SFO and he is not aware of any other matters that need to be brought to the attention of the holders of the securities of the Target.

Save as disclosed above, there is no other information in relation to Mr. Zhang that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

Non-executive Directors

Mr. Zhang Zhihua

Mr. Zhang Zhihua (張志華), aged 57, is a director of the Offeror and the Offeror Parent, respectively, and was appointed as a non-executive Director.

Mr. Zhang owns 1.6% interests in Qingjian Staff Union, which in turn holds 41.265% equity interest in the Offeror Parent through its wholly-owned subsidiary, 青島青建控股有限公司 (Qingdao Qingjian Holdings Co.*).

Mr. Zhang obtained a master degree in Business Administration from Nankai University (南開大學), the PRC, in 2009, and is a qualified auditor in the PRC.

Mr. Zhang served as the financial director stationed in corporate of Qingdao Municipal State-owned Assets Administration during 1999 to 2005. Mr. Zhang was the deputy general manager of Qingjian from 2005, and he served in Qingjian consecutively as the vice-president (from September 2007), executive vice-president (from March 2009), executive president and general accountants (from December 2010), and president of Qingjian (from Director 2011), and the chairman of the board of directors of Qingjian (from January 2013) and the president of the Offeror Parent (from November 2012 to December 2013). Mr. Zhang is now the chief executive officer of the Offeror Parent since December 2013.

Mr. Zhang did not hold any position in the Target or any of its subsidiaries, nor directorship in any listed public companies in Hong Kong or overseas during the past three years. Save as disclosed above, he does not have any other relationship with any other directors, senior management or substantial or controlling shareholders of the Target.

Mr. Zhang has been appointed for a term commencing from 11 April 2014 until the closing of the forthcoming annual general meeting of the Target to be held in 2014. In accordance with the articles of association of the Target, Mr. Zhang shall be eligible for re-election at the forthcoming annual general meeting. His director's service agreement may be terminated by either the Target or Mr. Zhang by giving three months written notice or otherwise in accordance with the terms thereof. Mr. Zhang will be entitled to a director's fee of HK\$240,000 per annum which is determined with reference to his experiences and responsibilities and the prevailing market conditions.

As at the date of this joint announcement, Mr. Zhang does not have, and is not deemed to have, any interest in the shares, underlying shares or debentures of the Target within the meaning of Part XV of the SFO and he is not aware of any other matters that need to be brought to the attention of the holders of the securities of the Target.

Save as disclosed above, there is no other information in relation to Mr. Zhang that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

Mr. Ding Hongbin

Mr. Ding Hongbin (丁洪斌), aged 47, is a director of the Offeror and the Offeror Parent, respectively, and was appointed as a non-executive Director.

Mr. Ding owns 3% interests in Qingjian Staff Union, which in turn holds 41.265% equity interest in the Offeror Parent through its wholly-owned subsidiary, 青島青建控股有限公司 (Qingdao Qingjian Holdings Co.*).

Mr. Ding is qualified as a research associate in engineering application in 2008 and was awarded with special subsidy by the State Council of the PRC for his contribution in engineering technology in 2011. Mr. Ding graduated from Tongji University (同濟大學), PRC, specializing in Management Theory and Industrial Engineering, as a doctor graduate in 2011.

Mr. Ding consecutively served as the assistant to the general manager, deputy general manager and executive deputy general manager of Qingjian from 2002 to 2007. He acted consecutively as the president of Qingjian, the president of information technology of Qingjian and the vice-chairman of the board of directors of Qingjian from 2007 to 2013. He was the chairman of the supervisory committee of the Offeror Parent from November 2012 to December 2013.

Mr. Ding is currently the president (from December 2013) and the chief information officer (from March 2014). He is also the honorary chairman of Shandong Branch (山東分會) of Masters of Business Administration of Beijing Institute of Technology (北京理工大學), the PRC, a council member of the Construction Economics Branch (建築經濟分會) of the Fifth Session of the Architectural Society of China (中國建築學會) and a council member of the Eighth Session of 中國質量協會 (China Quality Association*).

Mr. Ding did not hold any position in the Target or any of its subsidiaries, nor directorship in any listed public companies in Hong Kong or overseas during the past three years. Save as disclosed above, he does not have any other relationship with any other directors, senior management or substantial or controlling shareholders of the Target.

Mr. Ding has been appointed for a term commencing from 11 April 2014 until the closing of the forthcoming annual general meeting of the Target to be held in 2014. In accordance with the articles of association of the Target, Mr. Ding shall be eligible for re-election at the forthcoming annual general meeting. His director's service agreement may be terminated by either the Target or Mr. Ding by giving three months written notice or otherwise in accordance with the terms thereof. Mr. Ding will be entitled to a director's fee of HK\$240,000 per annum which is determined with reference to his experiences and responsibilities and the prevailing market conditions.

As at the date of this joint announcement, Mr. Ding does not have, and is not deemed to have, any interest in the shares, underlying shares or debentures of the Target within the meaning of Part XV of the SFO and he is not aware of any other matters that need to be brought to the attention of the holders of the securities of the Target.

Save as disclosed above, there is no other information in relation to Mr. Ding that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

By order of the board of directors of
CNQC Development Limited
Du Bo
Chairman

By order of the board of directors of
Sunley Holdings Limited
Du Bo
Chairman

Hong Kong, 11 April 2014

As at the date of this joint announcement, the chairman of the board of directors of the Offeror is Mr. Du Bo and the board of directors of the Offeror are Mr. Zhang Zhihua and Mr. Ding Hongbin. As at the date of this joint announcement, the chairman of the board of directors of the Offeror Parent is Mr. Du Bo, and the directors of the Offeror Parent are Mr. Zhang Zhenan, Mr. Zhang Zhihua, Mr. Ding Hongbin, Mr. Yuan Hongjun, Mr. Cao Shujian and Ms. Hu Ming.

The directors of the Offeror and the Offeror Parent jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Vendor, the Guarantors and the Target Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the Vendor, the Guarantors and the Target Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement (taking into account the resignation of Dr. Ho Kar Chung and Mr. Leung Chee Hon), the chairman of the Board is Mr. Du Bo and the Target has (i) four executive directors, namely Mr. Du Bo, Mr. Cheng Wing On, Michael, Mr. Ho Chi Ling, and Mr. Zhang Yuqiang; (ii) two non-executive directors, namely Mr. Zhang Zhihua and Mr. 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 of the Target (including Dr. Ho Kar Chung and Mr. Leung Chee Hon who have resigned as directors of the Target) jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

In case of any inconsistency, the English text of this joint announcement shall prevail over the Chinese text.

** The English translation of Chinese names of the PRC entities in this joint announcement, where indicated, is included for identification purpose only and is not the official English names for such PRC entities.*