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Ronshine China Holdings Limited

融信中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3301)

DISCLOSABLE TRANSACTION: DISPOSAL OF 50% OF EQUITY INTEREST OF THE TARGET COMPANY

THE DISPOSAL

On 15 March 2019, the Seller (a wholly owned subsidiary of the Company) and the Purchaser entered into the Agreement, pursuant to which the Seller has conditionally agreed to dispose of and the Purchaser has conditionally agreed to purchase, the Sale Equity Interest, representing 50% of the equity interest of the Target Company at an aggregate consideration of RMB1,005,000,000 (equivalent to approximately HK\$1,175,146,500), which will be satisfied by the Purchaser to the Seller in cash upon Completion.

The Target Company is a property holding company and its principal assets are the Properties.

Immediately after Completion, the Target Company ceased to be an associate of the Seller and the Seller ceased to hold, directly or indirectly, any interest in the Target Company and, in substance, the Properties.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as defined under the Listing Rules in relation to the Disposal are more than 5% but all of such ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules but is exempt from the circular and shareholders' approval requirements under the Listing Rules.

THE DISPOSAL

On 15 March 2019, the Seller (a wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement, pursuant to which the Seller has conditionally agreed to dispose of and the Purchaser has conditionally agreed to purchase, the Sale Equity Interest, representing 50% of the equity interest of the Target Company at an aggregate consideration of RMB1,005,000,000 (equivalent to approximately HK\$1,175,146,500), which will be satisfied by the Purchaser to the Seller in cash upon Completion.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date	15 March 2019
Parties	
(i) Seller	Fujian Taikun Trading Company Limited* (福建泰坤貿易有限公司) (a wholly-owned subsidiary of the Company)
(ii) Purchaser	Greenland Property Group Co., Ltd* (綠地地產集團有限公司)
The Target Company	Shanghai Kaitai Property Development Co., Ltd. (上海愷泰房地產開發有限公司), a limited liability company established in the PRC on 3 September 2013 and a joint venture between the Group and the Purchaser.
Sale Equity Interest	The Sale Equity Interest represent 50% of the equity interest of the Target Company held by the Seller.

To the best knowledge, information and belief of the Director having made all reasonable enquiries, as at the date of this announcement, the Purchaser and their ultimate beneficial owner(s) are independent third parties not connected with the Company and its connected persons.

Assets to be disposed

Pursuant to the Agreement, the Seller has conditionally agreed to dispose of and the Purchaser has conditionally agreed to purchase, the Sale Equity Interest, representing 50% of the equity interest of the Target Company subject to the terms contained therein.

The Target Company is a company established in the PRC on 3 September 2013. The Target Company is a property holding company and its principal assets are the Properties.

Upon Completion of the transfer, the Target Company ceased to be an associate of the Seller and the Seller ceased to hold, directly or indirectly, any interest in the Target Company and, in substance, the Properties.

Consideration and Settlement

The consideration of RMB1,005,000,000 (equivalent to approximately HK\$1,175,146,500), which will be satisfied by the Purchaser to the Seller in cash upon Completion shall be settled in one single payment to the Seller's designated bank account within thirty (30) days after the Agreement becoming effective.

The consideration was determined after arm's length negotiations between the Seller and the Purchaser and on normal commercial terms after taking into consideration of the (i) initial amount of capital contribution to the Target Company made by the Seller; (ii) the asset appraisal report issued by Shanghai Orient Appraisal Co., Ltd.* (上海東洲資產評估有限公司) on the total assets of the Target Company as at 31 January 2019, (iii) the reasons for the Disposal as mentioned in the section headed "Reasons for the Disposal and Use of Proceeds" below and (iv) the current financial position of the Target Company.

Completion

Pursuant to the terms of the Agreement, Completion shall take place within ten (10) working days after the Agreement becoming effective.

INFORMATION OF THE GROUP, THE SELLER AND THE PURCHASER

The Group is principally engaged in property development business in the PRC.

The Seller was established in the PRC on 2 May 2013 with a registered capital of RMB5,000,000 (equivalent to approximately HK\$5,846,500), which was fully paid up at the time of its establishment and was then wholly owned by an independent third party and employee of the Group. In June 2013, the entire equity interest in the Seller was transferred to the Group, pursuant to which the Seller became wholly owned by the Group. Prior to the Agreement, the Seller was the holding company of the Target Company.

The Purchaser is a joint venture partner and an independent third party which is a limited liability company established in the PRC.

Set out below is a summary of certain audited financial information of the Target Company prepared in accordance with accounting principles generally accepted in the PRC for the two financial years ended 31 December 2017 and 2018:

	For the year ended 31 December 2017	For the year ended 31 December 2018
	<i>Approximate RMB'000</i>	<i>Approximate RMB'000</i>
	(unaudited)	(unaudited)
Revenue	1,842,589.84	5,400,006.40
Net profit/loss before taxation	667,102.90	1,876,266.69
Net profit/loss after taxation	<u>499,777.79</u>	<u>1,407,364.04</u>

REASONS FOR DISPOSAL AND USE OF PROCEEDS

The Board estimates that the net proceeds from the Disposal, after deduction of the relevant cost and expenses, will amount to approximately RMB1,005,000,000 (equivalent to approximately HK\$1,175,146,500). The Company intends to use the net proceeds from the Disposal as general working capital of the Group and funding of possible investment in the property development industry. It is estimated that the Company will not record a gain from the Disposal, calculated by taking into consideration the Consideration, the relevant expenses in relation to the Disposal as well as the net asset value of the Target Company as at 31 January 2019.

The Group is principally engaged in property development business in the PRC, with a focus on the development of residential properties in cities in the Yangtze River Delta Economic Zone and Western Taiwan Straits Economic Zone (an area centering on the coastal areas of Fujian province known for entrepreneurship and economic growth) and selected first and second tier cities.

The Target Company was established as a joint venture of the Group and the Purchaser for the Shanghai Xujing Project, a commercial, office and hotel property project located in a prime location in Qingpu district of Shanghai in the PRC and was scheduled to complete in August 2018. As at the date of this announcement, the Shanghai Xujing Project under the joint venture has been completed, the saleable properties have been completely sold and settled, and the project company has also completed profit distribution, therefore, the Board considers that it would be in the interest of the Company and its shareholders to withdraw its investment in the Target Company so that the Group can focus its resources on its existing businesses. The Disposal will also increase the cash resources of the Group for further development and expansion of its business and for other better investment opportunities as and when they arise.

The terms of the Agreement were determined after arm's length negotiations between the parties thereto and the Directors are of the view that the terms of the Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined under the Listing Rules in relation to the Disposal are more than 5% but all of such ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules but is exempt from the circular and shareholders' approval requirements, under the Listing Rules.

As the Completion is subject to the satisfaction and/or waiver, where applicable, of the conditions contained in the Agreement, the Disposal may or may not proceed to Completion. Shareholders and potential investors of the Company should exercise caution when dealing in the shares or any securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“Agreement”	The property transaction agreement dated 15 March 2019 entered into between the Seller and the Purchaser relating to the sale and purchase of the Sale Equity Interest
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“Company”	Ronshine China Holdings Limited, a company incorporated in the Cayman Islands with limited liability
“Completion”	completion of the sale and purchase of the Sale Equity Interest pursuant to the terms and conditions of the Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Equity Interest by the Seller to the Purchaser pursuant to the terms and conditions of the Agreement
“Group”	the Company and its subsidiaries, associates and joint ventures
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“PRC”	People’s Republic of China which shall, for the purposes of this announcement, exclude the Hong Kong, Macau Special Administrative Region of the People’s Republic of China and the island of Taiwan
“Properties”	the properties constructed under the Shanghai Xujing Project in Qingpu district of Shanghai in the PRC
“Purchaser”	Greenland Property Group Co., Ltd* (綠地地產集團有限公司), a company established in the PRC

“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity Interest”	50% of the equity interest of the Target Company
“Seller”	Fujian Taikun Trading Company Limited* (福建泰坤貿易有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shanghai Kaitai Property Development Co., Ltd. (上海愷泰房地產開發有限公司)
“%” or “per cent.”	percentage or per centum

Unless otherwise defined, for the purpose of this announcement and for the purpose of illustration only, RMB amounts have been translated using the following rates: RMB1.00:HK\$1.169. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

By order of the Board
Ronshine China Holdings Limited
Ou Zonghong
Chairman

Hong Kong, 18 March 2019

As at the date of this announcement, Mr. Ou Zonghong, Ms. Zeng Feiyuan, Mr. Ruan Youzhi and Mr. Zhang Lixin are the executive Directors; Ms. Chen Shucui is the non-executive Director; and Dr. Lo Wing Yan William, Mr. Ren Yunan and Mr. Qu Wenzhou are the independent non-executive Directors.

* *For identification purpose only*