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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)

**(1) PLACING OF EXISTING SHARES AND
(2) TOP-UP SUBSCRIPTION FOR NEW SHARES
UNDER GENERAL MANDATE**

Joint Global Coordinators, Joint Bookrunners and Placing Agents

Morgan Stanley



PLACING AND TOP-UP SUBSCRIPTION

The Board is pleased to announce that on 3 April 2019, Hong Kong time, the Company, the Vendor and Mr. Ou entered into the Placing Agreement with the Placing Agents pursuant to which the Placing Agents agreed to place, failing which to purchase themselves, up to 108,000,000 existing Shares at the Placing Price of HK\$10.95 per Placing Share on behalf of the Vendor. The Placing Shares represent approximately 6.69% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.27% of the issued share capital of the Company as enlarged by the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

The Placing Shares will be placed by the Placing Agents to not less than six independent professional, institutional and/or individual investors who, together with their respective ultimate beneficial owners will be third parties independent of and not connected with the Company or its connected persons.

Pursuant to the Placing, the Vendor and the Company have also entered into the Subscription Agreement on the same date under which the Vendor conditionally agreed to subscribe for, and the Company conditionally agreed to issue, the Subscription Shares. Assuming the Placing Shares are placed in full, the Subscription Shares represent approximately 6.69% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.27% of the issued share capital of the Company as enlarged by the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

The Company will apply to the listing committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares.

Completion of the Subscription is conditional upon:

- (1) completion of the Placing having occurred pursuant to the terms of the Placing Agreement; and
- (2) the listing committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

As the Subscription is subject to the fulfillment of a number of conditions and may or may not proceed to completion, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

PLACING AGREEMENT

Date

3 April 2019, Hong Kong time

Parties

- (a) the Company;
- (b) Dingxin Company Limited, as the Vendor. As at the date of this announcement, the Vendor is interested in 1,038,072,000 Shares, representing approximately 64.30% of the existing issued share capital of the Company;
- (c) Mr. Ou; and

- (d) Morgan Stanley & Co. International PLC and Haitong International Securities Company Limited, as the joint global coordinators, the joint bookrunners and the Placing Agents.

Each of the Placing Agents has agreed to act as an agent to the Vendor to place, failing which to purchase itself, the Placing Shares at the Placing Price.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Placing Agents and their respective ultimate beneficial owners (a) are independent of, and not connected with, the Vendor, the Company and their respective associates and connected persons; and (b) are independent of, and not acting in concert with, the Vendor, their respective associates and persons acting in concert with the Vendor.

Placing Shares

Up to 108,000,000 existing Shares, representing approximately 6.69% of the existing issued share capital of the Company as at the date of this announcement, and approximately 6.27% of the issued share capital as enlarged by the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

Placing Price

The Placing Price of HK\$10.95 per Placing Share represents:

- (i) a discount of approximately 7.05% to the closing price of HK\$11.78 per Share as quoted on the Stock Exchange on the last trading day immediately preceding the date of the Placing Agreement; and
- (ii) a discount of approximately 10.76% to the average closing price of HK\$12.27 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the last trading day immediately preceding the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company, the Vendor and the Placing Agents with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price and the terms and conditions of the Placing Agreement to be fair and reasonable under the current market conditions and are in the best interests of the Company and the Shareholders as a whole.

The costs of the Placing shall be borne by the Vendor and the costs of the Subscription shall be borne by the Company.

Rights

The Placing Shares will be sold free of all liens, charges and encumbrances, and together with all rights attaching thereto as at the date of the Placing Agreement, including the right to receive all dividends or other distributions declared, made or paid after the date of the Placing Agreement.

Independence of the Placing Agents and the placees

The Placing Shares will be placed by the Placing Agents to not less than six independent professional, institutional and/or individual investors. It is not expected that any placee will become a substantial shareholder of the Company as a result of the Placing.

The Placing Agents and the placees to be procured by the Placing Agents and their ultimate beneficiary owners are or will be, as the case may be, third parties independent of and not connected with the Company or its connected persons.

Termination

The Placing Agents may terminate the Placing Agreement by written notice to Mr. Ou, the Vendor and the Company at any time up to 9:00 a.m. (Hong Kong time) on the Closing Date upon occurrence of any of the following events:

- (a) there having occurred at any time prior to completion of the Placing (i) any breach of, or any event rendering untrue, incorrect or breached in any respect, any of the representations, warranties or undertakings by the Vendor and Mr. Ou or the Company referred to in the Placing Agreement; or (ii) any breach of, or failure to perform, any of the other obligations of the Company or any of the Vendor or Mr. Ou which are required to be performed at or before completion of the Placing, and any such breach of, or failure to perform, is or would be, individually or together, in the sole opinion of the Placing Agents, prejudices or is likely to prejudice materially the success of the Placing;
- (b) there having occurred (i) any event, or series of events beyond the reasonable control of the Placing Agents (including, without limitation, any calamity or accident (whether or not covered by insurance), act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, terrorism, outbreak or escalation of hostilities (whether local, national or international), act of war and act of God); (ii) any adverse change, or development (whether or not permanent) involving a prospective adverse change, in or affecting the business, general affairs, management, prospects, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Company or the Group as a whole, whether or not arising in the ordinary course of business since 31 December 2018; (iii) any adverse change (whether or not permanent) or development (whether or not permanent) involving a prospective adverse change or any crisis in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions or any material adverse change in the financial markets of the United States or Hong Kong (including, without limitation, conditions in the stock and bond markets, money and foreign

exchange markets, interbank markets and credit markets and conditions with respect to interest rates in Hong Kong or otherwise) or foreign exchange controls in or affecting Hong Kong or elsewhere or any occurrence of a combination of any such changes or developments or crises or any deterioration of any such conditions, which in the sole judgment of the Placing Agents, makes it impracticable or inadvisable to proceed with the Placing or the related transactions entered into or to be entered into pursuant to the Subscription Agreement; (iv) the commencement by any state, governmental, judicial, regulatory or political body or organisation of any action against any Director or an announcement by any state, governmental, judicial, regulatory or political body or organisation that it intends to take any such action; or (v) the introduction of any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority, of which individually or together, in the sole opinion of the Placing Agents, prejudices or is likely to prejudice materially the success of the Placing or makes it or is likely to make it impracticable or inadvisable or inexpedient to proceed with the offer, sale, distribution or delivery of the Placing Shares on the terms and in the manner contemplated in the Placing Agreement; and

- (c) there having occurred at any time prior to completion of the Placing (i) the imposition of any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, or in any securities of the Company on any stock exchange or over the counter market; or (ii) any material disruption in securities settlement, payment or clearance services in Hong Kong or the PRC, the United Kingdom or the United States; or (iii) the imposition of any moratorium on commercial banking activities by the authorities in Hong Kong or the PRC or the United Kingdom or the United States Federal or New York State authorities.

The Placing Agents may at their discretion waive any events in paragraphs (a) to (c) above on terms as the Placing Agents deem necessary.

In the event that the Placing Agreement has been terminated, no party to the Placing Agreement shall be under any liability to any other party save for any antecedent breach, and payment of all costs, charges, fees and expenses to the extent already incurred.

Completion of the Placing

The Placing is unconditional and the parties expect that the Placing will be completed on the Closing Date.

SUBSCRIPTION AGREEMENT

Date

3 April 2019, Hong Kong time

Parties

- (a) the Vendor, as the subscriber; and
- (b) the Company, as the issuer.

Subscription Shares

The number of new Shares equivalent to the number of Placing Shares actually placed by the Placing Agents under the Placing Agreement. Assuming 108,000,000 Placing Shares are placed in full, the Subscription Shares represent approximately 6.69% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.27% of the issued share capital of the Company as enlarged by the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

Subscription Price

The subscription price per new Share is equivalent to the Placing Price of HK\$10.95 per Placing Share. The Subscription Shares have a nominal value of HK\$1,080 and a market value of HK\$1,272,240,000, based on the closing price of HK\$11.78 on the last trading day immediately preceding the date of the Subscription Agreement.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable under the current market conditions and are in the interests of the Company and the Shareholders as a whole.

General mandate to issue the Subscription Shares

The issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued under the general mandate granted by the Shareholders to the Directors pursuant to the resolution of the Shareholders passed in the annual general meeting of the Company held on 1 June 2018. Pursuant to such mandate, the Directors were granted authority to issue up to 298,960,100 Shares, representing 20% of the total number of Shares in issue as at 1 June 2018. As at the date of this announcement, 103,500,000 Shares had been issued pursuant to such general mandate, and the Company has not repurchased any Shares in the 30 days immediately preceding the date of the Subscription Agreement.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on the completion date of the Subscription including the right to any dividends or distributions after the date of completion of the Subscription.

Conditions of the Subscription

The Subscription is conditional upon:

- (1) completion of the Placing having occurred pursuant to the terms of the Placing Agreement; and
- (2) the listing committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

None of the conditions stated above can be waived. In the event that the conditions are not fulfilled or on or before the date which is fourteen days from the date of the Subscription Agreement (or such later date, subject to the approval of the Stock Exchange, as may be agreed between the parties), all rights and obligations thereunder will cease and terminate.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Completion of the Subscription

Subject to the fulfillment of the conditions to the Subscription Agreement, completion of the Subscription will take place on the third Business Day after the day upon which the last of the conditions as set out above is satisfied or such other date as the Vendor and the Company may agree in writing, and in any event no later than a date falling 14 days after the date of the Subscription Agreement.

LOCK-UP UNDERTAKINGS

Pursuant to the terms of the Placing Agreement,

- (a) subject to exemptions as set out under the Placing Agreement, the Vendor has undertaken to the Placing Agents (and Mr. Ou shall procure the Vendor) that (except for the sale of the Placing Shares pursuant to the Placing Agreement) from the date of the Placing Agreement and on or prior to the date being the 90th day after the date of the Placing Agreement that the Vendor will not and will procure that none of its nominees, companies controlled by it or trusts associated with it (whether individually or together and whether directly or indirectly) will (without the prior written consent of the Placing Agents): (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the new Shares to be issued under the Subscription Agreement but excluding the Placing Shares) or any interests therein or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, unless being waived in writing by the Placing Agents (which waiver shall not be unreasonably withheld); and

- (b) the Company has undertaken to the Placing Agents that (except for the new Shares to be allotted and issued to the subscriber named in the Subscription Agreement and any option to subscribe for Shares to be granted pursuant to the share option scheme adopted by the Company on 28 December 2015) from the date of the Placing Agreement and on and prior to the date being the 90th day after the date of the Placing Agreement it will not (without the prior written consent of the Placing Agents) (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transaction described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, unless being waived in writing by the Placing Agents (which waiver shall not be unreasonably withheld).

EFFECT OF THE PLACING AND THE SUBSCRIPTION ON SHAREHOLDING

The shareholding structure of the Company before and after the Placing and the Subscription will be as follows (assuming 108,000,000 Placing Shares are placed in full and no changes (i) in the Shares held by the Vendor, Mr. Ou and their respective associates; and (ii) in the issued share capital of the Company from the date of the announcement to the completion of the Subscription save for the issue of the Subscription Shares):

Shareholders	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and completion of the Subscription	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
The Vendor, Mr. Ou and its associates ^(Note 1)	1,038,072,000	64.30%	930,072,000	57.61%	1,038,072,000	60.27%
<i>Public Shareholders</i>						
Placees ^(Note 2)	–	–	108,000,000	6.69%	108,000,000	6.27%
Other public Shareholders	576,257,064	35.70%	576,257,064	35.70%	576,257,064	33.46%
Total	<u>1,614,329,064</u>	<u>100%</u>	<u>1,614,329,064</u>	<u>100%</u>	<u>1,722,329,064</u>	<u>100%</u>

Notes:

- The Vendor is a BVI company wholly owned by Honesty Global Holdings Limited, another BVI company, wholly owned by TMF (Cayman) Ltd., the trustee of the Ou Family Trust which is a discretionary trust established by Mr. Ou Guofei, who is the son of Mr. Ou (as the settlor) with Mr. Ou (as the protector). Accordingly, each of Honesty Global Holdings Limited, TMF (Cayman) Ltd. and Mr. Ou Guofei is deemed to be interested in the Shares held by Dingxin Company Limited.
- It is not expected that any single placee will become a substantial shareholder of the Company as a result of the Placing.

REASON FOR THE PLACING AND THE SUBSCRIPTION

The Placing and Subscription is being undertaken to supplement the Group's long term funding of its expansion and growth plan. The Directors consider that the Placing and Subscription will provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.

USE OF PROCEEDS OF THE SUBSCRIPTION

The gross proceeds of the Subscription will be approximately HK\$1,182,600,000. The estimated net proceeds of the Subscription (after deducting all applicable costs and expenses of the Placing and the Subscription) is approximately HK\$1,176,616,920 and will be applied for the Company's development purposes and as general working capital of the Group. The net price of the Subscription is approximately HK\$10.89 per Share.

EQUITY FUND-RAISING ACTIVITIES IN THE PAST 12 MONTHS

During the past twelve months immediately before the date of this announcement, the Company conducted the following equity fund raising activity:

Date of announcement	Fund raising activity	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
6 June 2018	Top-up placing of new Shares	Approximately HK\$1.1 billion	For the Company's development purposes and general working capital of the Group	All being used as intended

Save as disclosed above, the Company had not conducted any equity fund raising activities during the past twelve months immediately preceding the date of this announcement.

GENERAL

The Company is an investment holding company. The Company and its subsidiaries are property developers in the PRC, focusing on the development of residential properties in cities in the Yangtze River Delta and the Western Taiwan Straits Economic Zone, and selected first and second-tier cities. The Company and its subsidiaries are primarily engaged in the development of mid to high-end residential properties, and also develop commercial properties integrated with or in the vicinity of its residential properties, including office buildings, retail shops and other commercial properties.

As the Subscription is subject to the fulfillment of a number of conditions and may or may not proceed to completion, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless otherwise stated, the terms in this announcement have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays) on which banks are generally open for business in Hong Kong
“Closing Date”	9 April 2019 or such other date as the Vendor and the Placing Agents may agree
“Company”	Ronshine China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ou”	Mr. Ou Zonghong, an executive Director, a controlling Shareholder, the chief executive officer and the chairman of the Company
“Placing”	the placement of up to 108,000,000 existing Shares to independent investors at the Placing Price
“Placing Agents”	Morgan Stanley & Co. International PLC and Haitong International Securities Company Limited, each is a third party independent of and not connected with the Company and its connected persons
“Placing Agreement”	the placing agreement dated 3 April 2019 entered into between the Vendor, the Company and the Placing Agents in respect of the Placing
“Placing Price”	the placing price of HK\$10.95 per Placing Share

“Placing Shares”	up to 108,000,000 existing Shares
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of par value of HK\$0.00001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor
“Subscription Agreement”	the subscription agreement dated 3 April 2019 entered into between the Company and the Vendor in respect of the Subscription
“Subscription Shares”	new Share(s) to be subscribed by the Vendor pursuant to the Subscription Agreement, which number shall be equivalent to the number of Placing Shares actually placed by the Placing Agents under the Placing Agreement
“Vendor”	Dingxin Company Limited, a company incorporated in the Cayman Islands which is indirectly wholly owned by the trustee of the Ou Family Trust which is a discretionary trust established by Mr. Ou Guofei, son of Mr. Ou, as the settlor with Mr. Ou, as the protector
“%”	per cent.

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

Hong Kong, 4 April 2019

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