

*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.*



## **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)**

# **MAJOR TRANSACTION ACQUISITION OF EQUITY INTERESTS IN NINGBO HAILIANG AND ANHUI HAILIANG**

### **The Ningbo Hailiang Acquisition**

The Board is pleased to announce that on 27 July 2017 (after trading hours), Kaiyin Enterprise, an indirect wholly-owned subsidiary of the Company, entered into the Ningbo Equity Transfer Agreements with each of Hairao Investment, Mr. Feng, Hailiang Investment, Mr. Tang and Hailiang Charity, pursuant to which Kaiyin Enterprise has agreed to acquire in aggregate a 55% equity interest in Ningbo Hailiang from Hairao Investment, Mr. Feng, Hailiang Investment, Mr. Tang and Hailiang Charity at a total consideration of RMB2,264,023,700 (equivalent to HK\$2,626,267,492).

Upon completion, Ningbo Hailiang will become an indirect non wholly-owned subsidiary of the Company, and the financial results of Ningbo Hailiang will be consolidated into the financial statements of the Group.

### **The Anhui Hailiang Acquisition**

The Board is pleased to further announce that on 27 July 2017 (after trading hours), Shanghai Rongen, an indirect wholly-owned subsidiary of the Company, entered into the Anhui Equity Transfer Agreement with Hairao Investment, pursuant to which Shanghai Rongen has agreed to acquire a 55% equity interest in Anhui Hailiang from Hairao Investment at a consideration of RMB632,500,000 (equivalent to HK\$733,700,000).

Upon completion, Anhui Hailiang will become an indirect non wholly-owned subsidiary of the Company, and the financial results of Anhui Hailiang will be consolidated into the financial statements of the Group.

## **Listing Rules Implications**

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the Ningbo Hailiang Acquisition and the Anhui Hailiang Acquisition is/are more than 25% but less than 100%, the entering into of the Equity Transfer Agreements constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. As such, the Ningbo Hailiang Acquisition and the Anhui Hailiang Acquisition are subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **Written Shareholder Approval**

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, no Shareholder has a material interest in the Ningbo Hailiang Acquisition and the Anhui Hailiang Acquisition and is required to abstain from voting if the Company were to convene a general meeting for the approval of the Ningbo Hailiang Acquisition and the Anhui Hailiang Acquisition. The Company has obtained a written shareholder approval from Dingxin, which held 1,012,500,000 Shares, representing approximately 74.87% of the issued share capital of the Company, as at the date of this announcement for the approval of the Ningbo Hailiang Acquisition and the Anhui Hailiang Acquisition pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company.

A circular containing, among other things, further details of the Ningbo Hailiang Acquisition and the Anhui Hailiang Acquisition and such other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 17 August 2017.

Reference is made to the announcement of the Company dated 11 April 2017 in connection with a letter of intent entered into between Rongxin Investment, an indirect wholly-owned subsidiary of the Company, and Hailiang Metal in relation to a potential cooperation regarding certain property projects located in the PRC indirectly held by Hailiang Metal.

## **The Ningbo Hailiang Acquisition**

On 27 July 2017 (after trading hours), Kaiyin Enterprise, an indirect wholly-owned subsidiary of the Company, entered into the Ningbo Equity Transfer Agreements with each of Hairao Investment, Mr. Feng, Hailiang Investment, Mr. Tang and Hailiang Charity, pursuant to which Kaiyin Enterprise has agreed to acquire in aggregate a 55% equity interest in Ningbo Hailiang from Hairao Investment, Mr. Feng, Hailiang Investment, Mr. Tang and Hailiang Charity at a total consideration of RMB2,264,023,700 (equivalent to HK\$2,626,267,492).

The terms of each of the Ningbo Equity Transfer Agreements are identical save for the name of the vendor, the percentage of equity interest in Ningbo Hailiang to be transferred and the consideration. The principal terms of each of the Ningbo Equity Transfer Agreements are set out below:

**Date:**

27 July 2017 (after trading hours)

**Parties:**

- (i) Kaiyin Enterprise (as purchaser);
- (ii) Hairao Investment (as vendor);
- (iii) Mr. Feng (as vendor);
- (iv) Hailiang Investment (as vendor);
- (v) Mr. Tang (as vendor); and
- (vi) Hailiang Charity (as vendor).

To the best of the Directors' knowledge, information and belief, after making all reasonable enquires, each of Hairao Investment, Hailiang Investment, Hailiang Charity and their respective ultimate beneficial owners as well as Mr. Feng and Mr. Tang are Independent Third Parties.

**Assets to be acquired:**

Kaiyin Enterprise agreed to acquire, and each of Hairao Investment, Mr. Feng, Hailiang Investment, Mr. Tang and Hailiang Charity agreed to sell their respective 30.2%, 16.9%, 4.7%, 2.1% and 1.1% equity interests in Ningbo Hailiang.

**Consideration:**

The total consideration payable by Kaiyin Enterprise in respect of the Ningbo Hailiang Acquisition is RMB2,264,023,700 (equivalent to HK\$2,626,267,492), of which RMB1,243,566,500, RMB694,026,200, RMB193,471,100, RMB85,209,600 and RMB47,750,300 shall be payable to Hairao Investment, Mr. Feng, Hailiang Investment, Mr. Tang and Hailiang Charity, respectively. The consideration for the Ningbo Hailiang Acquisition shall be settled in cash in the following manner:

- (i) within ten (10) Business Days upon the execution of the Ningbo Equity Transfer Agreements, Kaiyin Enterprise shall pay 50% of the respective consideration under the Ningbo Equity Transfer Agreements to the bank accounts jointly controlled by Kaiyin Enterprise and the respective vendors. Upon fulfilment of certain conditions which include (a) the requisite business registration regarding the transfer of the relevant equity interests in Ningbo Hailiang having been completed; and (b) the relevant administration for industry and commerce having

issued the new business licence of Ningbo Hailiang, the joint control of the aforesaid bank accounts shall be lifted and the amount shall be retained for the benefit of the respective vendors; and

- (ii) within three (3) months upon the completion of the Ningbo Hailiang Acquisition, Kaiyin Enterprise shall pay the remaining 50% of the respective consideration under the Ningbo Equity Transfer Agreements, together with an interest payment to be calculated based on an annual interest rate of 5% from the date of completion of the requisite business registration to the date of payment to the respective vendors.

The consideration was determined by the parties after arm's length negotiations primarily with reference to the unaudited net asset value of Ningbo Hailiang attributable to the equity holders of Ningbo Hailiang as at 30 June 2017. The Directors are of the view that the consideration under the Ningbo Equity Transfer Agreements is fair and reasonable.

The consideration will be financed by the Group's internal resources.

**Completion:**

Completion of each of the Ningbo Equity Transfer Agreements shall take place on the date of completion of the registration with the relevant industrial and commerce bureau in the PRC for the change of equity interest in Ningbo Hailiang.

Upon completion, Ningbo Hailiang will become an indirect non wholly-owned subsidiary of the Company, and the financial results of Ningbo Hailiang will be consolidated into the financial statements of the Group.

**The Anhui Hailiang Acquisition**

The Board is pleased to further announce that on 27 July 2017 (after trading hours), Shanghai Rongen, an indirect wholly-owned subsidiary of the Company, entered into the Anhui Equity Transfer Agreement with Hairao Investment, pursuant to which Shanghai Rongen has agreed to acquire a 55% equity interest in Anhui Hailiang from Hairao Investment at a consideration of RMB632,500,000 (equivalent to HK\$733,700,000). The principal terms of the Anhui Equity Transfer Agreement are set out below:

**Date:**

27 July 2017 (after trading hours)

**Parties:**

- (i) Shanghai Rongen (as purchaser); and
- (ii) Hairao Investment (as vendor).

**Assets to be acquired:**

Shanghai Rongen agreed to acquire, and Hairao Investment agreed to sell, a 55% equity interest in Anhui Hailiang.

**Consideration:**

The consideration payable by Shanghai Rongen in respect of the Anhui Hailiang Acquisition is RMB632,500,000 (equivalent to HK\$733,700,000), which shall be settled in cash in the following manner:

- (i) within ten (10) Business Days upon the execution of the Anhui Equity Transfer Agreement, Shanghai Rongen shall pay 50% of the consideration under the Anhui Equity Transfer Agreement to a bank account jointly controlled by Shanghai Rongen and Hairao Investment. Upon fulfilment of certain conditions which include (a) the requisite business registration regarding the transfer of the relevant equity interests in Anhui Hailiang having been completed; and (b) the relevant administration for industry and commerce having issued the new business licence of Anhui Hailiang, the joint control of the aforesaid bank account shall be lifted and the amount shall be retained for the benefit of Hairao Investment; and
- (ii) within three (3) months upon the completion of the Anhui Hailiang Acquisition, Shanghai Rongen shall pay the remaining 50% of the consideration under the Anhui Equity Transfer Agreement, together with an interest payment to be calculated based on an annual interest rate of 5% from the date of completion of the requisite business registration to the date of payment to Hairao Investment.

The consideration was determined by the parties after arm's length negotiations primarily with reference to the unaudited net asset value of Anhui Hailiang as at 30 June 2017. The Directors are of the view that the consideration under the Anhui Equity Transfer Agreement is fair and reasonable.

The consideration will be financed by the Group's internal resources.

**Completion:**

Completion of the Anhui Hailiang Acquisition shall take place on the date of completion of the registration with the relevant industrial and commerce bureau in the PRC for the change of equity interest in Anhui Hailiang.

Upon completion, Anhui Hailiang will become an indirect non wholly-owned subsidiary of the Company, and the financial results of Anhui Hailiang will be consolidated into the financial statements of the Group.

**Information on Ningbo Hailiang**

Ningbo Hailiang is a limited liability company established in the PRC. As at the date of this announcement, Ningbo Hailiang is principally engaged in real estate project investment and wholesales and retail sales of building materials (except bamboo).

As at 30 June 2017, the unaudited total net asset of Ningbo Hailiang was approximately RMB412,217,075 (of which approximately RMB234,718,029 were the net assets attributable to the equity holders of Ningbo Hailiang), and the unaudited net profits (loss) of Ningbo Hailiang for the two financial years ended 31 December 2016 and the six months ended 30 June 2017 were as follows:

	<b>For the year ended 31 December 2015 (approximate RMB)</b>	<b>For the year ended 31 December 2016 (approximate RMB)</b>	<b>For the six months ended 30 June 2017 (approximate RMB)</b>
Net profit (loss) before taxation	419,877,888	342,520,332	(33,409,450)
Net profit (loss) after taxation	287,088,301	172,468,626	(46,330,692)

## **Information on Anhui Hailiang**

Anhui Hailiang is a limited liability company established in the PRC. As at the date of this announcement, Anhui Hailiang is principally engaged in property development and the sales, lease and provision of after-sales service for commercial housings.

As at 30 June 2017, the unaudited total net asset of Anhui Hailiang was approximately RMB656,818,590, and the unaudited net profits (loss) of Anhui Hailiang for the two financial years ended 31 December 2016 and the six months ended 30 June 2017 were as follows:

	<b>For the year ended 31 December 2015 (approximate RMB)</b>	<b>For the year ended 31 December 2016 (approximate RMB)</b>	<b>For the six months ended 30 June 2017 (approximate RMB)</b>
Net profit (loss) before taxation	118,299,132	30,765,178	(55,855,695)
Net profit (loss) after taxation	79,369,201	(16,388,823)	(55,855,695)

## **Reasons for and benefit of the Acquisitions**

With the continuous steady development of the real estate market in the PRC, the Directors believe that the Acquisitions will increase the land bank of the Group, enhance the Group's position and market presence in the PRC property market and will provide the Group with a better opportunity for project development in Anhui and Zhejiang provinces. Through the Acquisitions, not only that the Group could consolidate the financial results of Ningbo Hailiang and Anhui Hailiang to the Group's financial statements, but could also strengthen the Group's market position in cities in western and central part of the PRC.

Accordingly, the Directors (including the independent non-executive Directors) consider that the Acquisitions are carried out on normal commercial terms which are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

# **Information about parties to the Equity Transfer Agreements**

## **The Company**

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

## **Kaiyin Enterprise**

Kaiyin Enterprise is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company which is principally engaged in property development in the PRC.

## **Shanghai Rongen**

Shanghai Rongen is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company which is principally engaged in property development in the PRC.

## **Hairao Investment**

Hairao Investment is a limited liability company established in the PRC, which is principally engaged in industrial investment, investment consultation, investment management and wholesales and retail sales of non-ferrous metal materials and building materials.

## **Mr. Feng**

Mr. Feng is a PRC resident and a merchant.

## **Hailiang Investment**

Hailiang Investment is a limited liability company established in the PRC, which is principally engaged in industrial investment and investment consultation.

## **Mr. Tang**

Mr. Tang is a PRC resident and a merchant.

## **Hailiang Charity**

Hailiang Charity is a registered foundation established under the laws of the PRC, which is principally engaged in charitable activities.

## **Listing Rules Implications**

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the Ningbo Hailiang Acquisition and the Anhui Hailiang Acquisition is/are more than 25% but less than 100%, the entering into of the Equity Transfer Agreements constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. As such, the Ningbo Hailiang Acquisition and the Anhui Hailiang Acquisition are subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **WRITTEN SHAREHOLDER APPROVAL**

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, no Shareholder has a material interest in the Ningbo Hailiang Acquisition and the Anhui Hailiang Acquisition and is required to abstain from voting if the Company were to convene a general meeting for the approval of the Ningbo Hailiang Acquisition and the Anhui Hailiang Acquisition. The Company has obtained a written shareholder approval from Dingxin, which held 1,012,500,000 Shares, representing approximately 74.87% of the issued share capital of the Company, as at the date of this announcement for the approval of the Ningbo Hailiang Acquisition and the Anhui Hailiang Acquisition pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company.

A circular containing, among other things, further details of the Ningbo Hailiang Acquisition and the Anhui Hailiang Acquisition and such other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 17 August 2017.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Acquisitions”	the Ningbo Hailiang Acquisition and the Anhui Hailiang Acquisition
“Anhui Equity Transfer Agreement”	the equity transfer agreement dated 27 July 2017 entered into between Shanghai Rongen and Hairao Investment in relation to the Anhui Hailiang Acquisition
“Anhui Hailiang”	Anhui Hailiang Property Company Limited* (安徽海亮房地產有限公司), a limited liability company established in the PRC and is wholly-owned by Hairao Investment as at the date of this announcement
“Anhui Hailiang Acquisition”	the acquisition of a 55% equity interest in Anhui Hailiang pursuant to the Anhui Equity Transfer Agreement

“Board”	the board of Directors
“Business Day”	any working day on which banks in the PRC are open for business, excluding Saturday, Sunday and statutory holidays of the PRC
“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
“Dingxin”	Dingxin Company Limited, a company incorporated in the British Virgin Islands with limited liability, which is a controlling Shareholder
“Directors”	directors of the Company
“Equity Transfer Agreements”	the Ningbo Equity Transfer Agreements and the Anhui Equity Transfer Agreement
“Group”	the Company and its subsidiaries
“Hailiang Charity”	Zhejiang Hailiang Charity Foundation* ( 浙江海亮慈善基金會 ), a registered foundation established under the laws of the PRC and an Independent Third Party
“Hailiang Investment”	Zhejiang Hailiang Investment Company Limited* ( 浙江海亮投資股份有限公司 ), a limited liability company established in the PRC and an Independent Third Party
“Hailiang Metal”	Hailiang Metal Trading Group Company Limited* ( 海亮金屬貿易集團有限公司 ), a limited liability company established in the PRC, and an Independent Third Party
“Hairao Investment”	Ningbo Hairao Investment Company Limited* ( 寧波海饒投資有限公司 ), a limited liability company established in the PRC and an Independent Third Party
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) (has the meaning ascribed to it under the Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Kaiyin Enterprise”	Shanghai Kaiyin Enterprise Company Limited* ( 上海愷胤實業有限公司 ) a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Feng”	Mr. Feng Hailiang ( 馮海良 ), an Independent Third Party
“Mr. Tang”	Mr. Tang Lu ( 唐魯 ), an Independent Third Party
“Ningbo Equity Transfer Agreements”	the five equity transfer agreements dated 27 July 2017 and entered into between Kaiyin Enterprise and each of Hairao Investment, Mr. Feng, Hailiang Investment, Mr. Tang and Hailiang Charity in relation to the Ningbo Hailiang Acquisition
“Ningbo Hailiang”	Ningbo Hailiang Property Investment Company Limited* ( 寧波海亮房地產投資有限公司 ), a limited liability company established in the PRC and is owned as to 75.21%, 16.86%, 4.70%, 2.07% and 1.16% by Hairao Investment, Mr. Feng, Hailiang Investment, Mr. Tang and Hailiang Charity, respectively, as at the date of this announcement
“Ningbo Hailiang Acquisition”	the acquisition of a 55% equity interest in Ningbo Hailiang pursuant to the Ningbo Equity Transfer Agreements
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Rongxin Investment”	Rongxin (Fujian) Investment Company Limited* ( 融信 ( 福建 ) 投資集團有限公司 ), a limited liability company established in the PRC, and an indirect wholly-owned subsidiary of the Company
“Shanghai Rongen”	Shanghai Rongen Property Development Company Limited* ( 上海融恩房地產開發有限公司 ), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Shares”	ordinary shares of HK\$0.00001 each in the share capital of the Company
“Shareholders”	holders of the Shares

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

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

Hong Kong, 27 July 2017

*As at the date of this announcement, Mr. Ou Zonghong, Mr. Wu Jian, Mr. Lin Junling and Ms. Zeng Feiyan are the executive Directors; and Mr. Lo Wing Yan William, Mr. Ren Yunan and Mr. Qu Wenzhou are the independent non-executive Directors.*

\* *for identification purposes only*