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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)

DISCLOSEABLE TRANSACTION CAPITAL CONTRIBUTION IN QINGDAO TIANYE AND QINGDAO TIANHE

CAPITAL INCREASES

The Board announces that on 20 August 2018, Qingdao Ronshine, a wholly-owned subsidiary of the Company, through the Tender, has successfully won the tender to participate in the Tianye Capital Increase and the Tianhe Capital Increase at an aggregate consideration of RMB1,179,308,076.

Upon completion of the Tianye Capital Increase, Qingdao Tianye will be owned as to 51% by Qingdao Ronshine and 49% by Qingdao Xifa, and Qingdao Tianhe will become an indirect non wholly-owned subsidiary of the Company.

Upon completion of the Tianhe Capital Increase, Qingdao Tianhe will be owned as to 51% by Qingdao Ronshine and 49% by Qingdao Xifa, and Qingdao Tianhe will become an indirect non wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the Tianye Capital Increase and the Tianhe Capital Increase is/are more than 5% but all applicable percentage ratios are less than 25%, the participation of the Tianye Capital Increase and the Tianhe Capital Increase constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As such, the Tianye Capital Increase and the Tianhe Capital Increase are subject to reporting and announcement requirements but exempted from Shareholders' approval requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 20 August 2018, Qingdao Ronshine, a wholly-owned subsidiary of the Company, through the Tender, has successfully won the tender to participate in the Tianye Capital Increase and the Tianhe Capital Increase at an aggregate consideration of RMB1,179,308,076. On the same date, Qingdao Ronshine and Qingdao Property Rights Exchange entered into the Tender Confirmation to confirm the terms of the Tianhe Capital Increase and Tianye Capital Increase. The Capital Increase Agreements are expected to be entered into between Qingdao Ronshine and Qingdao Xifa within three (3) days after the Tender Confirmation.

The principal terms of the Tianye Capital Increase and the Tianhe Capital Increase are set out below.

THE TIANYE CAPITAL INCREASE

Pursuant to the Tender Confirmation, Qingdao Ronshine won the tender to participate in the Tianye Capital Increase. The principal terms of the Tianye Capital Increase are set out below:

Subject matter of the Tianye Capital Increase:

Pursuant to the Tender Confirmation, Qingdao Ronshine shall contribute an amount of RMB917,742,398 to Qingdao Tianye, among which, RMB354,918,367 will be contributed to the registered share capital of Qingdao Tianye and RMB562,824,031 will be contributed into the capital reserve of Qingdao Tianye. Upon completion of the Tianye Capital Increase, Qingdao Tianye will be owned as to 51% by Qingdao Ronshine and 49% by Qingdao Xifa.

The existing registered and paid up capital of Qiangdao Tianye is RMB341,000,000, which is currently owned as to 100% by Qingdao Xifa. For the purpose of Tianye Capital Increase, Qingdao Tianye will increase its registered capital from RMB341,000,000 to RMB695,918,367.

The amount of registered capital to be increased pursuant to the Tianye Capital Increase and the total capital to be contributed by Qingdao Ronshine and Qingdao Xifa was arrived upon taking into consideration of (i) the current business and development of Qingdao Tianye; (ii) the business prospects of the Qingdao Tianye; and (iii) expected capital required for the development of the land currently owned by Qingdao Tianye.

Within three (3) days after the Tender Confirmation, Qingdao Ronshine and Qingdao Xifa will enter into the Tianye Capital Increase Agreement to reflect the aforesaid terms of the Tianye Capital Increase.

Consideration:

For the purpose of participating in the tender for the Tianye Capital Increase, Qingdao Ronshine has paid an amount of RMB458,870,000 as security money, the same of which will be converted as part of the contribution to be made by Qingdao Ronshine pursuant to the Tianye Capital Increase. Within 10 business days upon the entering of the Tianye Capital Increase Agreement, the parties shall arrange the completion of the relevant commerce filing to reflect change in equity interest (i.e. as to 51% by Qingdao Ronshine and 49% by Qingdao Xifa), upon which, Qingdao Ronshine shall settle the remaining balance of the capital contribution to be made pursuant to the Tianye Capital Increase in cash within 10 business days thereafter.

The capital contribution to be made by Qingdao Ronshine pursuant to the Tianye Capital Increase will be funded by internal resources of the Group.

Lock-up:

Within three (3) years upon completion of the Tianye Capital Increase, each of Qingdao Ronshine and Qingdao Xifa undertakes that it will not transfer any of the equity interest of Qingdao Tianye to other Independent Third Parties, save for the purpose of obtaining additional financing or the transfer of which will not cause any change in ultimate control in Qingdao Tianye.

In the event that, within three (3) years upon the update of the industrial and commerce bureau registration for the Tianye Capital Increase, any of Qingdao Ronshine or Qingdao Xifa would like to transfer a portion or all of the equity interest in Qingdao Tianye, it shall first give 30 days' notice to other shareholders as the terms of the transfer etc., and at the same time shall offer to transfer to the other party and shall only transfer to other Independent Third Party if the other party confirms that it will not acquire additional equity interest of Qingdao Tianye. Further, if any of the parties transfer a portion or all of the equity interest in Qingdao Tianye, the other party may also tag along to sell its portion of interest in Qingdao Tianye under the same terms.

Completion:

Completion of the Tianye Capital Increase 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 Qingdao Tianye.

Upon completion, Qingdao Tianye will become an indirect non wholly-owned subsidiary of the Company.

THE TIANHE CAPITAL INCREASE

Pursuant to the Tender Confirmation, Qingdao Ronshine won the tender to participate in the Tianhe Capital Increase. The principal terms of the Tianhe Capital Increase are set out below:

Subject matter of the Tianhe Capital Increase:

Pursuant to the Tender Confirmation, Qingdao Ronshine shall contribute an amount of RMB261,565,678 to Qingdao Tianhe, among which, RMB136,346,939 will be contributed to the

registered share capital of Qingdao Tianhe and RMB125,218,739 will be contributed into the capital reserve of Qingdao Tianhe. Upon completion of the Tianhe Capital Increase, Qingdao Tianhe will be owned as to 51% by Qingdao Ronshine and 49% by Qingdao Xifa.

The existing registered and paid up capital of Qiangdao Tianhe is RMB131,000,000, which is currently owned as to 100% by Qingdao Xifa. For the purpose of Tianhe Capital Increase, Qingdao Tianhe will increase its registered capital from RMB131,000,000 to RMB267,346,939.

The amount of registered capital to be increased pursuant to the Tianhe Capital Increase and the total capital to be contributed by Qingdao Ronshine and Qingdao Xifa was arrived upon taking into consideration of (i) the current business and development of Qingdao Tianhe; (ii) the business prospects of the Qingdao Tianhe; and (iii) expected capital required for the development of the land currently owned by Qingdao Tianhe.

Within three (3) days after the Tender Confirmation, Qingdao Ronshine and Qingdao Xifa will enter into the Tianhe Capital Increase Agreement to reflect the aforesaid terms of the Tianhe Capital Increase.

Consideration:

For the purpose of participating in the tender for the Tianhe Capital Increase, Qingdao Ronshine has paid an amount of RMB26,150,000 as security money, the same of which will be converted as part of the contribution to be made by Qingdao Ronshine pursuant to the Tianhe Capital Increase. Within days upon the approval by the governmental planning department of the project plan as agreed by the parties to the agreement and the completion of the relevant industrial and commerce bureau registration, the parties shall arrange the completion of the relevant commerce filing to reflect change in equity interest (i.e. as to 51% by Qingdao Ronshine and 49% by Qingdao Xifa), upon which, Qingdao Ronshine shall settle the remaining balance of the capital contribution to be made pursuant to the Tianhe Capital Increase in cash within 10 business days thereafter.

The capital contribution to be made by Qingdao Ronshine pursuant to the Tianhe Capital Increase will be funded by internal resources of the Group.

Lock-up:

Within three (3) years upon completion of the Tianhe Capital Increase, each of Qingdao Ronshine and Qingdao Xifa undertakes that it will not transfer any of the equity interest of Qingdao Tianhe to other Independent Third Parties, save for the purpose of obtaining additional financing or the transfer of which will not cause any change in ultimate control in Qingdao Tianhe.

In the event that, within three (3) years upon completion of the Tianhe Capital Increase, any of Qingdao Ronshine or Qingdao Xifa would like to transfer a portion or all of the equity interest in Qingdao Tianhe, it shall first give 30 days' notice to other shareholders as the terms of the transter etc., and at the same time shall offer to transfer to the other party and shall only transfer to other Independent Third Party if the other party confirms that it will not acquire additional equity interest of Qingdao Tianhe. Further, if any of the parties transfer a portion or all of the equity interest in Qingdao Tianhe, the other party may also tag along to sell its portion of interest in Qingdao Tianhe under the same terms.

Completion:

Completion of the Tianhe Capital Increase 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 Qingdao Tianhe.

Upon completion, Qingdao Tianhe will become an indirect non wholly-owned subsidiary of the Company.

INFORMATION ON QINGDAO TIANYE

Qingdao Tianye is a limited liability company established in the PRC. As at the date of this announcement, Qingdao Tianye is principally engaged in real estate project investment and development in the PRC.

As at 28 February 2018, the unaudited total net asset of Qingdao Tianye was approximately RMB338,800,000, and the unaudited net profits/(loss) of Qingdao Tianye for the two financial years ended 31 December 2017 and the two months ended 28 February 2018 were as follows:

	For the year ended 31 December 2016 (approximate RMB)	For the year ended 31 December 2017 (approximate RMB)	For the two months ended 28 February 2018 (approximate RMB)
Net profit/(loss) before taxation	(980,000)	(1,080,000)	200
Net profit/(loss) after taxation	(980,000)	(1,080,000)	200

As at the date of this announcement, Qingdao Tianye owned the plot of land in Lingshan Bay, West Coast New District, Qingdao with an aggregate area of 100,705 square meters, which is expected to be developed into commercial, office and residential properties.

INFORMATION ON QINGDAO TIANHE

Qingdao Tianhe is a limited liability company established in the PRC. As at the date of this announcement, Qingdao Tianhe is principally engaged in real estate project investment and development in the PRC.

As at 28 February 2018, the unaudited total net asset of Qingdao Tianhe was approximately RMB129,650,000, and the unaudited net profits/(loss) of Qingdao Tianhe for the two financial years ended 31 December 2017 and the two months ended 28 February 2018 were as follows:

	For the year ended 31 December 2016 (approximate RMB)	For the year ended 31 December 2017 (approximate RMB)	For the two months ended 28 February 2018 (approximate RMB)
Net profit/(loss) before taxation	(430,000)	(400,000)	100
Net profit/(loss) after taxation	(430,000)	(400,000)	100

As at the date of this announcement, Qingdao Tianhe owned two (2) plots of land east of Binghai Boulevard of Huangdao District of Qingdao, north of Xuejiadao Jumel toll booth with an aggregate area of 48,146.69 square meters, which is expected to be developed into residential properties.

REASONS FOR AND BENEFIT OF THE CAPITAL INCREASES

With the continuous steady development of the real estate market in the PRC, the Directors believe that the Capital Increases 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 Qingdao provinces and also strengthen the Group's market position in the Shandong Peninsula.

Accordingly, the Directors (including the independent non-executive Directors) consider that the Capital Increases 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.

Qingdao Ronshine

Qingdao Ronshine 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.

Qingdao Xifa

Qingdao Xifa is a limited liability company established in the PRC, an Independent Third party, the parent company of which is principally engaged in property development in the PRC.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the Tianye Capital Increase and the Tianhe Capital Increase is/are more than 5% but all applicable percentage ratios are less than 25%, the participation of the Tianye Capital Increase and the Tianhe Capital Increase constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As such, the Tianye Capital Increase and the Tianhe Capital Increase are subject to reporting and announcement requirements but exempted from Shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“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
“Capital Increases”	the Tianye Capital Increase and the Tianhe Capital Increase
“Capital Increase Agreements”	the Tianye Capital Increase Agreement and the Tianhe Capital Increase Agreement
“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
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“Qingdao Property Rights Exchange”	Qingdao Property Rights Exchange (青島產權交易所), an Independent Third Party and a government department responsible for providing facilities, information disclosure, auction and settlement services for property rights trading by various enterprises in Qingdao, PRC
“Qingdao Tianhe”	Qingdao Xihaian Tianhe Construction Development Co., Ltd.* (青島西海岸天和建設發展有限公司), a company established in the PRC and wholly-owned by Qingdao Xifa as at the date of this announcement
“Qingdao Tianye”	Qingdao Xihaian Tianye Construction Development Co., Ltd.* (青島西海岸天業建設發展有限公司), a company established in the PRC and wholly-owned by Qingdao Xifa as at the date of this announcement
“Qingdao Ronshine”	Qingdao Ronshine Rongmei Property Development Co., Ltd.* (青島融信融美房地產發展有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company.
“Qingdao Xifa”	Qingdao Xifa Real Estate Co., Ltd.* (青島西發置業有限公司), a company established in the PRC and the sole shareholder of Qingdao Tianhe and Qingdao Tianye as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“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
“Tender Confirmation”	the tender confirmation (成交確認書) entered into on 20 August 2018 between Qingdao Ronshine and Qingdao Property Rights Exchange in relation to the Tianye Capital Increase and the Tianhe Capital Increase
“Tianye Capital Increase”	the increase in registered capital of Qingdao Tianye in an amount of RMB354,918,367
“Tianye Capital Increase Agreement”	the capital increase agreement to be entered between Qingdao Ronshine and Qingdao Xifa in relation to the Tianye Capital Increase

“Tianhe Capital Increase”	the increase in registered capital of Qingdao Tianhe in an amount of RMB136,346,939
“Tianhe Capital Increase Agreement”	the capital increase agreement to be entered between Qingdao Ronshine and Qingdao Xifa in relation to the Tianhe Capital Increase
“%”	per cent.

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

Hong Kong, 20 August 2018

As at the date of this announcement, Mr. Ou Zonghong, Mr. Wu Jian, Mr. Lin Junling and Ms. Zeng Feiyan 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 purposes only*