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China VAST Industrial Urban Development Company Limited

中國宏泰產業市鎮發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6166)

ANNOUNCEMENT

- (1) PROPOSED PARTIAL SALE OF SHARES BY CONTROLLING SHAREHOLDER**
- (2) PROPOSED ISSUE OF 6% GUARANTEED CONVERTIBLE BONDS DUE 2024 UNDER GENERAL MANDATE AND**
- (3) DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES**

Financial Advisor to the Company and the Vendor



The Share Sale

The Company has been informed by the Vendor that on 28 June 2021 (before trading hours), the Vendor (among other parties) entered into the Sale and Purchase Agreement with the Investor, pursuant to which the Vendor has conditionally agreed to sell, and the Investor has conditionally agreed to buy, 493,720,010 Shares, representing approximately 29.90% of the existing total issued shares of the Company as at the date of this announcement, for HK\$3.00 per Share.

Immediately following completion of the Share Sale, the number of Shares held by the Vendor and Ms. Zhao will be decreased to 727,845,654 Shares in aggregate (representing approximately 44.08% of the existing total issued shares of the Company) and the Vendor and Ms. Zhao will remain the controlling shareholders of the Company, and the Investor will hold 493,720,010 Shares (representing approximately 29.90% of the total issued shares of the Company) and will become a substantial shareholder of the Company.

The CB Subscription

On 28 June 2021 (before trading hours), the Company (among other parties) entered into the CB Subscription Agreement with the Investor pursuant to which the Investor has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the Convertible Bonds in the principal amount of US\$123,275,892, subject to the fulfillment (or waiver) of certain conditions precedent. Detailed terms of the CB Subscription Agreement and the Convertible Bonds are set out in the paragraphs headed “The CB Subscription” and “Principal Terms of the Convertible Bonds” respectively.

Upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$3.05 per Conversion Share, a total of 313,735,125 Conversion Shares will be issued, representing approximately 19.00% of the existing total issued shares of the Company and approximately 15.97% of the total issued shares of the Company as enlarged by the issue of the Conversion Shares (assuming there is no change in the issued share capital of the Company).

The Conversion Shares, upon issue, shall rank at least pari passu in all respects with the Shares then in issue. The Company will allot and issue the Conversion Shares under the General Mandate. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No listing of the Convertible Bonds will be sought on the Stock Exchange or any other exchanges.

The estimated net proceeds from the issue of the Convertible Bonds, after deducting all related expenses, will be approximately US\$122.3 million. The Company intends to apply such net proceeds for the purpose of financing the repayment of its existing outstanding indebtedness, refinancing its existing indebtedness, meeting the current capital commitment of its investment projects, distribution of dividends and general working capital.

Completion of each of the CB Subscription and the Share Sale is subject to the satisfaction of certain conditions set out in their respective agreements, and therefore may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

THE SHARE SALE

The Company has been informed by the Vendor that on 28 June 2021 (before trading hours), the Vendor, Ms. Zhao and Mr. Wang entered into the Sale and Purchase Agreement with the Investor, pursuant to which the Vendor has conditionally agreed to sell, and the Investor has conditionally agreed to buy, 493,720,010 Shares, representing approximately 29.90% of the existing total issued shares of the Company as at the date of this announcement, for HK\$3.00 per Share.

Completion of the Share Sale is subject to a number of conditions, and is not conditional on the completion of the CB Subscription and vice versa. Completion of the Share Sale is expected to take place on the date on which the conditions are satisfied or waived, or on such other date as otherwise agreed by the Vendor and the Investor in writing.

As at the date of this announcement, the Vendor and Ms. Zhao (directly and indirectly) hold 1,221,565,664 Shares in aggregate, representing approximately 73.98% of the existing total issued shares of the Company. Immediately following completion of the Share Sale, the number of Shares held by the Vendor and Ms. Zhao will be decreased to 727,845,654 Shares (representing approximately 44.08% of the existing total issued shares of the Company) and the Vendor and Ms. Zhao will remain the controlling shareholders of the Company

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Investor does not own any Shares and it and its ultimate beneficial owners are third parties independent of the Company and its connected persons. Immediately following completion of the Share Sale, the Investor will hold 493,720,010 Shares (representing approximately 29.90% of the total issued shares of the Company) and will become a substantial shareholder of the Company.

Further obligations

The obligations of the Vendor under the Sale and Purchase Agreement are guaranteed by Ms. Zhao and Mr. Wang.

Pursuant to the Sale and Purchase Agreement, the Vendor and the Investor have agreed to, among other things, the following matters:

- (a) Lock-up: the Vendor shall not dispose of the remaining Shares held by it for three years after completion of the Share Sale (the "Lock-up Period"), subject to certain customary exceptions.
- (b) Anti-dilution: in the event of an issuance of new securities by the Company that is not on a pro rata basis, the Vendor shall use best endeavours to procure that the Investor will be allowed to participate in such new issuance on the same terms as other investors such that the Investor may maintain its shareholding level in the Company.
- (c) Tag-along: if the Vendor proposes to sell any of its Shares to a third party investor during the Lock-up Period with the prior written consent of the Investor, the Investor may require the Vendor to procure the third party investor to acquire a proportionate number of Sale Shares held by it on the same terms and conditions.
- (d) Public float restriction: the Vendor shall not take actions in respect of the Company which causes the public float of the Company to fall below that required under the Listing Rules.
- (e) Director nomination right: following completion of the Share Sale, the Investor may nominate two candidates for election as executive Directors to the Board of a total of nine Directors and one such Director will serve on each of the Remuneration Committee and the Nomination Committee of the Company.

THE CB SUBSCRIPTION

On 28 June 2021 (before trading hours), the Company (among other parties) entered into the CB Subscription Agreement with the Investor pursuant to which the Investor has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the Convertible Bonds in the principal amount of US\$123,275,892. Detailed terms of the CB Subscription Agreement and the Convertible Bonds are summarised as follows:

1. Parties and Date

Date:	28 June 2021
Parties:	(i) The Company; (ii) Shing Cheong; (iii) China VAST International; (iv) Sheng Shi; (v) King Billion and (vi) the Investor.

2. Principal Terms of the Convertible Bonds

The principal terms of the Convertible Bonds were arrived at after arm's length negotiations between the Company and the Investor and are summarised as follows:

Principal Amount:	US\$123,275,892
Maturity Date:	The date falling 36 months from the issue date (the " Final Maturity Date ")
Guarantee:	The obligations of the Company in respect of the Convertible Bonds are secured by Shing Cheong, China VAST International, Sheng Shi and King Billion (each being a wholly owned subsidiary of the Company) (collectively the " Guarantors ")
Interest Rate:	6% per annum payable semi-annually in arrears
Ranking:	The Convertible Bonds will, when issued, constitute direct, general, unsubordinated and unconditional obligations of the Company and will at all times rank at least pari passu with all other present and future unsecured payment obligations of the Company, except for obligations mandatorily preferred by law applying to companies generally.

Conversion: Bondholder(s) shall have the right at any time during the Conversion Period require the Company to convert all or a portion of the Convertible Bonds into Shares credited as fully paid and free from any security interest at the Conversion Price subject to adjustments.

Conversion Period: The period beginning on, and including, the date falling 6 months after the date of issuance of the Convertible Bonds up to the close of business of the business day immediately prior to the Final Maturity Date (both days inclusive) (the “**Conversion Period**”).

Conversion Price: HK\$3.05 per Conversion Share, subject to adjustments (the “**Conversion Price**”).

The Conversion Price was arrived at after arm’s length negotiation between the Company and the Investor with reference to (i) the closing price per Share as quoted on the Stock Exchange on the last trading day immediately prior to the date of the CB Subscription Agreement and (ii) the average closing price per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of CB Subscription Agreement. The Conversion Price is:

- (i) the same as the closing price of HK\$3.05 per Share as quoted on the Stock Exchange on 25 June 2021, being the last trading day prior to the date of the CB Subscription Agreement; and
- (ii) at a premium of approximately 0.66% over the average closing price per Share of approximately HK\$3.03 as quoted on the Stock Exchange for the five consecutive trading days immediately prior to (and excluding) the date of the CB Subscription Agreement.

The aggregate nominal value of the Shares agreed to be issued under the Convertible Bonds is HK\$3,137,351.25.

Adjustment to
Conversion Price:

Conversion Price shall be adjusted from time to time in the following circumstances:

- (a) alteration to the nominal amount of each Share by reason of consolidation or subdivision;
- (b) issuance by the Company (including pursuant to scrip dividend scheme in lieu of a cash dividend) of Shares credited as fully paid by way of capitalization of profits or reserves;
- (c) capital distribution by the Company to all of its Shareholders (including cash dividends and whether on reduction of capital or otherwise), or grant of rights to Shareholders to acquire for cash assets of the Company or any of its subsidiaries;
- (d) issuance by the Company wholly for cash any Share at a price which is less than 90% of the market price on the date such issue is announced;
- (e) issuance by the Company wholly for cash any Share at a price which is less than the Conversion Price;
- (f) offer of new Shares to all Shareholders for subscription by way of rights, or grant to all Shareholders of options or warrants to subscribe for new Shares, at a price per new Share which is less than 90% of the market price on the date of the offer or grant is announced;
- (g) offer to all Shareholders for subscription by way of rights, or grant to all Shareholders of options or warrants to subscribe for new Shares, at a price per new Share which is less than the Conversion Price;
- (h) issuance by the Company or any of its subsidiaries wholly for cash any securities which are convertible into or exercisable for or carrying rights of subscription for new Shares, and the total effective consideration per new Share initially receivable for such securities is less than the market price on the date the issue of such securities is announced;

- (i) modification of the rights of conversion or exchange or subscription attaching to any securities mentioned in paragraph (h) above so that the total effective consideration per new Share initially receivable for such securities shall be less than the market price on the date the proposal to modify such rights of conversion or exchange or subscription is announced;
- (j) issuance by the Company or any of its subsidiaries wholly for cash any securities which are convertible into or exercisable for or carrying rights of subscription for new Shares, and the total effective consideration per new Share initially receivable for such securities is less than the Conversion Price; and
- (k) modification of the rights of conversion or exchange or subscription attaching to any securities mentioned in paragraph (j) above so that the total effective consideration per new Share initially receivable for such securities shall be less than the Conversion Price.

Conversion Shares: Upon full conversion of the Convertible Bonds at the Conversion Price of HK\$3.05 and based on an agreed exchange rate of US\$1.00 to HK\$7.7622, a total of 313,735,125 Conversion Shares will be issued, representing approximately 19.00% of the existing total issued shares of the Company and approximately 15.97% of the total issued shares of the Company as enlarged by the issue of the Conversion Shares (assuming there is no change in the issued share capital of the Company).

Redemption: Unless previously redeemed, converted or cancelled, the Company will redeem the Convertible Bonds on the Final Maturity Date at an aggregate price of (a) the total principal amount outstanding of the Convertible Bonds then held by such Bondholder; and (b) all amounts of accrued but unpaid interest on the Convertible Bonds then outstanding and held by such Bondholder if no event of default has occurred, or an amount that would yield to the Bondholder a return of 10% per annum (taking into account all interest paid) on the total principal amount outstanding of the Convertible Bonds then held by such Bondholder if an event of default has occurred.

If the Company elects to redeem the Convertible Bonds in full or in part after the date falling 24 months from the issue date and before the date of the 30th month after the Issue Date with the Bondholder's prior written consent, the Company will redeem in the amount equivalent to the sum of (a) the redeemed principal amount; and (b) accrued but unpaid interest on the redeemed principal amount if no event of default has occurred, or an amount that would yield to the Bondholder a return of 10% per annum (taking into account all interest paid) on the redeemed principal amount if an event of default has occurred.

If a Bondholder elects to require the Company to redeem the Convertible Bonds in full or in part following the occurrence of an event of default, the Company will redeem such Convertible Bonds in the amount equivalent to the sum of (a) the total principal amount outstanding of the Convertible Bonds required to be redeemed; and (b) an amount that would yield to the Bondholder a return of 10% per annum (taking into account all interest paid) on the total principal amount outstanding of the Convertible Bonds required to be redeemed.

Transfer: Bondholder(s) may, at any time, transfer to any other person all or part of the Convertible Bonds.

Financial covenants: The Company must ensure that the following financial covenants are satisfied (the “**Financial Covenants**”):

- (a) the amount as it appears under the line item “Equity attributable to owners of the Company” set out in the consolidated balance sheet of the Company (the “**Consolidated Tangible Net Worth**”) is at all times equal to or more than RMB3.6 billion (or its equivalent in any other currency);
- (b) the amount as it appears under the line item “Total assets” set out in the consolidated balance sheet of the Company do not at any time exceed 4 times of the Consolidated Tangible Net Worth at that time; and
- (c) the total net borrowings do not at any time exceed 150% of the Consolidated Tangible Net Worth at that time.

Director nomination right: After full conversion of the Convertible Bonds, the Company shall take such steps to procure the majority Bondholders have the right to nominate three candidates for election or re-election as directors other than independent non-executive Directors (in addition to, and without prejudice to, any other right of nomination such majority Bondholders individually or as a group may otherwise have).

Public float: The Company shall, for so long as any Convertible Bonds remains outstanding and exercisable, undertake to maintain the public float of the Company, and to restore the public float (by the issue of Shares or otherwise) as soon as practicable following any exercise of the Conversion Rights (or if a waiver from compliance with the public float requirements from the Stock Exchange has been obtained, within the prescribed period provided under such waiver) if after such exercise, the Company does not meet the minimum public float requirements under the Listing Rules.

3. Condition Precedent:

The Investor's obligations to subscribe for the Convertible Bonds under the CB Subscription Agreement are conditional upon the satisfaction (or waiver) of the following conditions (the "**Conditions**"):

- (i) The Investor having received all of the duly executed Finance Documents, corporate documentation, legal opinions and other documents and evidence as required under the CB Subscription Agreement in form and substance satisfactory to it on or prior to the issue date;
- (ii) the representations and warranties of each of the Company and the Guarantors in the Finance Documents to which it is a party being correct, accurate and not misleading from the date of the CB Subscription Agreement up to the issue date;
- (iii) no default being outstanding or would result from the issuance by the Company of the Convertible Bonds to the Investor;
- (iv) the Financial Covenants being satisfied;
- (v) either of Profit East or Ms. Zhao (a) being the controlling shareholder of the Company; and (b) being the single largest direct or indirect Shareholder;
- (vi) the Investor being satisfied with its commercial, financial and legal due diligence in respect of the Group, the Guarantors and their respective business;
- (vii) approval of the transactions contemplated under the Finance Documents from the strategic and investment committee of the board of directors of the Investor having been obtained and such approval not being revoked;
- (viii) the Stock Exchange having approved the issuance of the Convertible Bonds on the terms set out in the CB Subscription Agreement and the Convertible Bond Instruments and such approval not being revoked;
- (ix) listing approval from the Stock Exchange approving the listing of and permission to deal in the Conversion Shares having been obtained;
- (x) the Investor having received a copy of the General Mandate, evidence that on the issue date, the unutilized portion of the General Mandate is sufficient to cover the total number of Conversion Shares to be issued when the Conversion Rights are exercised in full and any other evidence that the Company has sufficient authorized but unissued shares in its share capital which is authorized to be issued pursuant to the General Mandate to enable it to perform its obligations under the Finance Documents when the Conversion Rights are exercised in full;

- (xi) the consent and/or waiver from Chance Talent Management Limited in relation to the CCBI Notes Instruments, including a waiver of the right to adjust the conversion price pursuant to the CCBI Notes Instruments in connection with the CB Subscription; and
- (xii) the pre-issuance registration certificate regarding the issue of the Convertible Bonds issued by the National Development and Reform Commission having been obtained and remaining in full force and effect as at the issue date.

If the above conditions are not satisfied or waived by 31 July 2021 (or such later time and date as may be agreed in writing between the Company and the Investor), the CB Subscription Agreement shall automatically terminate and no party to the CB Subscription Agreement shall have any claim under the CB Subscription Agreement of any nature whatsoever against the other party except in respect of any rights and liabilities which have accrued before such termination except under the surviving provisions.

4. Completion

Completion of the issuance and subscription of the Convertible Bonds shall take place on the first business day after the fulfilment or waiver of the above conditions or on such shorter period as determined by the Company.

Completion of the issuance and subscription of the Convertible Bonds is not conditional on the completion of the Share Sale and vice versa.

GENERAL MANDATE TO ISSUE NEW SHARES

The Company will allot and issue the Conversion Shares under the General Mandate granted to the Directors pursuant to a resolution passed by the Shareholders at the annual general meeting of the Company held on 2 June 2021. Under the General Mandate, the Company is authorised to allot and issue new Shares not exceeding 20% of total number of the issued shares of the Company as at the date of the aforesaid annual general meeting, which amounts to 330,247,498 new Shares. As at the date of this announcement, the General Mandate has not been utilised since it was granted. After the allotment and issue of 313,735,125 Conversion Shares based on the Conversion Price, the General Mandate will in aggregate be utilised as to approximately 95.00%. Accordingly, no Shareholders' approval is required for the issue of Conversion Shares as at the date of this announcement.

No application will be made for listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

REASONS FOR THE ISSUE OF CONVERTIBLE BONDS AND USE OF PROCEEDS

The Group is principally engaged in the business of (i) planning, development and operation of large-scale industrial towns (產業市鎮), (ii) property development, and (iii) property leasing, in the PRC.

The Investor is a company incorporated in Hong Kong, whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 817). The Investor is a large-scale developer and operator of quality real estate projects in the PRC, and the platform enterprise of Sinochem Holdings Corporation Ltd. in the development of real estate business. According to the annual report of the Investor, as at 31 December 2020, the Investor was owned as to approximately 35.15% by Sinochem Hong Kong (Group) Company Limited, approximately 14.03% by Ping An Life Insurance Company of China, Ltd. and approximately 8.47% by New China Life Insurance Company Ltd. The Investor is currently principally engaged in city operations, property development, commercial leasing, retail operations, hotel operations and technology and services.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Investor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The estimated net proceeds from the issue of the Convertible Bonds, after deducting all related expenses, will be approximately US\$122.3 million. The Company intends to apply such net proceeds for the purpose of financing its repayment of existing outstanding indebtedness, refinancing its existing indebtedness, meeting the current capital commitments of its investment projects, distribution of dividends and general working capital.

The Group will, from time to time, explore collaboration opportunities with strategic investors and partners to create synergies with, and complement, the Group's existing business and business expansion plan. The Investor is a large-scale developer and operator of real estate projects in the PRC. The Board believes that there is considerable potential for business collaboration and synergies between the Group and the Investor's group, which may lead to greater economic and operational efficiencies and increased investment returns. The additional funds brought to the Group from the issue of the Convertible Bonds can strengthen the financial position, and broaden the capital base of the Group to facilitate its future development.

The Directors (including independent non-executive Directors) consider that the terms of the CB Subscription Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors consider that the issue of the Convertible Bonds will provide a good opportunity for the Company to raise additional funds to strengthen its financial position and broaden its capital base to facilitate future development as well as for the Group's general working capital.

EFFECT OF THE ISSUE OF THE CONVERSION SHARES AND THE SHARE SALE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out a summary of the shareholding structure of the Company (i) as at the date of this announcement; (ii) after completion of the Share Sale; (iii) upon full conversion of the CCBI Convertible Notes at the prevailing conversion price without adjustment assuming the Share Sale has completed; and (iv) upon full conversion of the Convertible Bonds and CCBI Convertible Notes at the prevailing conversion price without adjustment assuming the Share Sale has completed, and in each case assuming there is no change in the issued share capital of the Company:

	(I)		(II)		(III)		(IV)	
	As at the date of this announcement		Following the completion of the Share Sale		Assuming full conversion of the CCBI Convertible Notes		Assuming full conversion of the Convertible Bonds and CCBI Convertible Notes	
	<i>Number of Shares held</i>	<i>%</i>	<i>Number of Shares held</i>	<i>%</i>	<i>Number of Shares held</i>	<i>%</i>	<i>Number of Shares held</i>	<i>%</i>
Profit East and Ms. Zhao Investor	1,221,565,664 ⁽¹⁾	73.98	727,845,654	44.08	727,845,654	41.32	727,845,654	35.07
Mr. Huang Peikun ⁽²⁾	–	–	493,720,010	29.90	493,720,010	28.03	807,455,135	38.91
Public Shareholders	220,000	0.01	220,000	0.01	220,000	0.01	220,000	0.01
	429,451,827	26.01	429,451,827	26.01	539,621,319	30.64	539,621,319	26.00
Total issued Shares	1,651,237,491	100	1,651,237,491	100	1,761,406,983	100	2,075,142,108	100

Note:

1. Represents 1,216,812,664 Shares directly held by Profit East and 4,753,000 Shares directly held by Tai Shing International Investment Company Limited which is indirectly wholly owned by Ms. Zhao.
2. An executive Director.

Following completion of the Share Sale, the Investor will be a substantial shareholder and a connected person of the Company and the Shares held by the Investor will not be considered as part of the public float.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

Pursuant to the terms of the CB Subscription Agreement and the Convertible Bonds, Profit East and Ms. Zhao shall, until all obligations under the Finance Documents have been performed and discharged in full and other than as a result of transfer of Shares or issuance of the Conversion Shares to the Investor, (i) remain as the single largest shareholder of the Company; (ii) maintain its control over the Company. A breach of such covenant may constitute an event of default. In accordance with the requirements under Rule 13.21 of the Listing Rules, the Company will make disclosures in its subsequent interim and annual reports for so long as circumstances giving rise to the aforesaid specific performance obligation of the controlling shareholders continue to exist.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company and its subsidiaries have not conducted any equity fund raising activities in the past twelve months.

Date of announcement	Event	Net proceeds and intended use	Actual use of proceeds
8 January 2021	Issue of Convertible Notes in the principal amount of US\$50,000,000 to Chance Talent Management Limited	The net proceeds of approximately US\$49.2 million were intended to be applied as general working capital of the Company.	The net proceeds have been utilized in full as general working capital of the Company.

Completion of each of the CB Subscription and the Share Sale is subject to the fulfillment of certain conditions set out in the Sale and Purchase Agreement and the CB Subscription Agreement respectively, and therefore may or may not take place. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Bondholder(s)”	holder(s) of a Convertible Bond, including all subsequent transferee(s) of the Convertible Bond(s)
“CB Subscription”	the proposed subscription of the Convertible Bonds by the Investor on the terms and subject to the conditions of the CB Subscription Agreement
“CB Subscription Agreement”	the CB Subscription agreement dated 28 June 2021 entered into between the Company, the Guarantors and the Investor in relation to the CB Subscription
“CCBI Convertible Notes”	the 6% convertible notes in aggregate principal amount of US\$50,000,000 issued by the Company to Chance Talent Management Limited pursuant to the CCBI Notes Instruments
“CCBI Notes Instruments”	the convertible notes instruments constituting an aggregate principal amount of US\$50,000,000 6% convertible notes, and the notes instrument constituting an aggregate principal amount of US\$110,000,000 6% guaranteed notes, both executed on 27 December 2017 by the Company, as amended by a deed of amendment dated 8 January 2021

“China VAST International”	China VAST International Holdings Limited (中國宏泰國際控股有限公司), a company incorporated in the British Virgin Islands and an indirectly wholly-owned subsidiary of the Company
“Company”	China VAST Industrial Urban Development Company Limited (中國宏泰產業市鎮發展有限公司), a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange with stock code 6166
“controlling shareholder”	has the meaning given to it in the Listing Rules
“Conversion Price”	HK\$3.05 per Share, subject to adjustments from time to time under the terms and conditions of the CB Subscription Agreement
“Conversion Rights”	the rights attached to the Convertible Bonds to convert the whole or part thereof into Conversion Shares credited as fully paid and free from any security interest at any time prior to the Final Maturity Date
“Conversion Share(s)”	the Share(s) which may fall to be allotted and issued upon exercise of the Conversion Rights
“Convertible Bond Instrument”	the deed to be executed by the Company which will constitute the Convertible Bonds and contain the terms and conditions of the Convertible Bonds
“Convertible Bonds”	the 6% guaranteed convertible bonds in aggregate principal amount of up to US\$123,275,892 to be issued by the Company to the Investor pursuant to the CB Subscription Agreement
“Director(s)”	the director(s) of the Company
“Finance Document”	means: <ul style="list-style-type: none"> (a) The CB Subscription Agreement; (b) Each Convertible Bond Instrument; (c) any other document designated as such in the CB Subscription Agreement or by the Company and the Bondholders.

And **Finance Documents** means all of the above.

“General Mandate”	a resolution of the Shareholders passed in the annual general meeting of the Company held on 2 June 2021 granting the board of directors of the Company the authority to issue no more than 20 per cent. of the issued shares of the Company as at the date of such annual general meeting, which represents 330,247,498 Shares
“Group”	the Company and its subsidiaries
“Guarantors”	King Billion, Shing Cheong, China VAST International and Sheng Shi
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong Special Administrative Region of the PRC
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Investor”	China Jinmao Holdings Group Limited (中國金茂控股集團有限公司), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange with stock code 817
“King Billion”	King Billion Corporation Limited (兆帝有限公司), a company incorporated in Hong Kong and an indirectly wholly-owned subsidiary of the Company
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wang”	Mr. WANG Jianjun, the chairman of the Board and an executive Director
“Ms. Zhao”	Ms. ZHAO Ying, a non-executive Director, the spouse of Mr. Wang, and a controlling shareholder
“PRC”	The People’s Republic of China
“Profit East” or the “Vendor”	Profit East Limited (利東有限公司), a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is legally and beneficially owned by Ms. Zhao, and a controlling shareholder
“RMB”	the lawful currency of the PRC from time to time

“Sale and Purchase Agreement”	the sale and purchase agreement dated 28 June 2021 entered into between the Vendor, Ms. Zhao, Mr. Wang and the Investor in relation to the Share Sale
“Sale Shares”	493,720,010 Shares, being subject of the Share Sale
“Share Sale”	the proposed sale of the Sale Shares by the Vendor to the Investor on the terms and subject to the conditions of the Sale and Purchase Agreement
“Shares”	any share in the issued capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sheng Shi”	Sheng Shi International (HK) Development Limited (盛世國際(香港)發展有限公司), a company incorporated in Hong Kong and an indirectly wholly-owned subsidiary of the Company
“Shing Cheong”	Shing Cheong Holdings Ltd. (誠昌控股有限公司), a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning given to it in the Listing Rules
“substantial shareholder”	has the meaning given to it in the Listing Rules
“%”	per cent.

By order of the Board
China VAST Industrial Urban Development Company Limited
Wang Jianjun
Chairman

Hong Kong, 28 June 2021

As at the date of this announcement, the executive Directors are Ms. WANG Jianjun, Mr. YANG Yun, Mr. WANG Yagang, Mr. HUANG Peikun and Ms. WANG Wei; the non-executive Director is Ms. ZHAO Ying; and the independent non-executive Directors are Dr. WONG Wai Kuen, Albert, Ms. Hsieh Yafang and Professor WANG Yijiang.