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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)

COMPLETION OF SHARE SALE AND ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

Financial Advisor to the Company and the Vendor



Reference is made to the announcement of China VAST Industrial Urban Development Company Limited (the “**Company**”) dated 28 June 2021 in relation to the partial sale of Shares by the controlling shareholder and issue of 6% guaranteed Convertible Bonds due 2024 under general mandate (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

COMPLETION OF SHARE SALE

The Company has been informed by the controlling shareholders that the Share Sale of 493,720,010 Shares by Profit East to the Investor was completed on 30 June 2021 in accordance with the Sale and Purchase Agreement.

COMPLETION OF CB SUBSCRIPTION

The Board is pleased to announce that all conditions precedent of the CB Subscription Agreement have been fulfilled and completion of the CB Subscription took place on 16 July 2021 in accordance with the terms and conditions thereof. The Convertible Bonds in the principal amount of US\$123,275,892 have been issued to the Investor.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; (ii) upon full conversion of the Convertible Bonds at the initial Conversion Price without adjustment; and (iii) upon full conversion of the Convertible Bonds and CCBI Convertible Notes at the prevailing conversion price without adjustment, and in each case assuming there is no other change in the issued share capital of the Company:

	(I)		(II)		(III)	
	As at the date of this announcement		Assuming full conversion of the Convertible Bonds		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>
Profit East and Ms. Zhao ⁽¹⁾	727,845,654	44.08	727,845,654	37.04	727,845,654	35.08
Investor	493,720,010	29.90	807,455,135	41.09	807,455,135	38.91
Mr. Huang Peikun ⁽²⁾	220,000	0.01	220,000	0.01	220,000	0.01
Public Shareholders	429,451,827	26.01	429,451,827	21.86	539,621,319	26.00
Total issued Shares	<u>1,651,237,491</u>	<u>100</u>	<u>1,964,972,616</u>	<u>100</u>	<u>2,075,142,108</u>	<u>100</u>

Notes:

1. Represents 723,092,654 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.

Pursuant to the terms of the Finance Documents, if the issuance of Shares pursuant to an exercise of the Conversion Right in respect of the Convertible Bond would result in the Company failing to meet the minimum public float requirements under Rule 8.08(1)(a) of the Listing Rules or such other lower percentage permitted by the Stock Exchange at its discretion (the “**Required Public Float**”), then the Conversion Right in respect of the portion of the Convertible Bond which would cause the Company to fail to meet the Required Public Float (the “**Excess Conversion Right**”) shall be deemed not to have been exercised and the conversion notice in respect of the Excess Conversion Right shall be deemed to have been withdrawn, and the Company has undertaken to the Investor that for so long as any portion of the Convertible Bond remains outstanding and exercisable, the Company shall maintain the public float of the Company. In the event that any proposed conversion of the Convertible Bond will result in the Company not meeting the Required Public Float immediately after such conversion, the Company undertakes to take relevant prior actions (including, without limitation, issuance of new Shares to independent third parties prior to such conversion or procuring its substantial Shareholders to place down existing Shares to independent third parties) before such conversion takes place to ensure that the Company will be able to meet the Required Public Float immediately after such conversion. In light of the foregoing, the Convertible Bond will only be converted to the extent that the Required Public Float will be maintained, and the Company is of the view that the Company can maintain sufficient public float as required under Rule 8.08(1)(a) of the Listing Rules at all times while the Convertible Bonds remain outstanding and exercisable.

GENERAL MANDATE

Based on the initial Conversion Price of HK\$3.05 per Share and based on the agreed exchange rate of US\$1.00 to HK\$7.7622 under the Finance Documents, a total of 313,735,125 Conversion Shares will be issued upon full conversion of the Convertible Bonds. As at the date of this announcement, no Shares have been issued under the General Mandate and the Company is entitled to issue up to 330,247,498 new Shares under the General Mandate without further approval from the Shareholders.

The Company will keep monitoring the utilization rate of the General Mandate to ensure that sufficient number of Shares remains available under the General Mandate for any proposed conversion of the Convertible Bonds, and only issue Conversion Shares to the extent available under the General Mandate. In the event of adjustment(s) to the Conversion Price leading to additional Conversion Shares being potentially issuable, the Company will not apply for listing approval for Shares in excess of those available under the General Mandate and will repay in cash any remaining outstanding principal amount of the Convertible Bonds.

USE OF PROCEEDS

The net proceeds from the issue of the Convertible Bonds, after deducting all related expenses, amounted to 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.

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

Hong Kong, 16 July 2021

As at the date of this announcement, the executive Directors are Mr. 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 Wing Kuen, Albert, Ms. Hsieh Yafang and Professor WANG Yijiang.