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seazen 新城发展

SEAZEN GROUP LIMITED

新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

**(i) PROPOSED RIGHTS ISSUE
ON THE BASIS OF ONE (1) RIGHTS SHARE FOR
EVERY TWENTY-ONE (21) EXISTING SHARES
HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS;
(ii) CLOSURE OF REGISTER OF MEMBERS AND
(iii) RESUMPTION OF TRADING**

PROPOSED RIGHTS ISSUE

The Company proposes to raise up to (i) approximately HK\$1,567.29 million before expenses, by issuing 295,715,521 Rights Shares to the Qualifying Shareholders by way of the Rights Issue on the basis of one (1) Rights Share for every twenty-one (21) Existing Shares (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$1,569.62 million before expenses by way of the issue of 296,154,878 Rights Shares (assuming no change in the number of Shares in issue other than the full exercise of outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of the Shares on or before the Record Date), at the Subscription Price of HK\$5.30 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders.

However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

The net proceeds from the Rights Issue after deducting the expenses are estimated to be (i) approximately HK\$1,559.79 million (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$1,562.12 million (assuming no change in the number of Shares in issue other than the full exercise of outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date). The net proceeds are intended to be used for 60% as additional capital reserve to capture business opportunities for property development in the PRC and 40% general corporate purposes. Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed.

Besides, any Shareholder who applies to take up all or part of his/her/its/their entitlement under the PAL or apply for excess Rights Shares under EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained.

Accordingly, the Rights Issue will be made on the term that the Company will provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its/their entitlement under the PAL or for excess Rights Shares under the EAF can be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code.

IRREVOCABLE UNDERTAKINGS

As at the date of this announcement, Wealth Zone and Set Hero, being the controlling shareholders, hold 4,223,794,000 Shares and 84,174,000 Shares, representing approximately 68.02% and 1.36%, respectively, of the issued share capital of the Company.

On 1 December 2021, the Company received from Wealth Zone and Set Hero the Irrevocable Undertakings, pursuant to which:

- (i) Wealth Zone and Set Hero have irrevocably undertaken to the Company to subscribe for an aggregate of 205,141,332 Rights Shares (as to 201,133,047 Rights Shares and 4,008,285 Right Shares to be subscribed by Wealth Zone and Set Hero, respectively) which will be provisionally allotted to them nil-paid in respect of the Shares legally and beneficially owned by them in aggregate, pursuant to the terms of the Prospectus Documents; and
- (ii) Wealth Zone and Set Hero have irrevocably undertaken to the Company to ensure that the 4,307,968,000 Shares currently beneficially owned by them will not be sold, disposed of or transferred by them and will remain beneficially owned by them in aggregate on the Record Date.

Save for the Irrevocable Undertakings, the Company has not received any information or irrevocable undertaking from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the date of this announcement.

INTENTION OF WEALTH ZONE

The Board has been informed by Wealth Zone that, in addition to its committed subscription, in accordance with the Irrevocable Undertakings, of the 201,133,047 Rights Shares to be provisionally allotted to it pursuant to the terms of the Rights Issue, Wealth Zone intends to apply, by way of excess application, for the maximum number of the Rights Shares allowed under Rule 7.21(3)(b) of the Listing Rules.

Wealth Zone is ultimately held by Hua Sheng Trust found by Mr. Wang Zhenhua, a controlling shareholder of the Company. As at the date of this announcement, Mr. Wang Zhenhua and Ms. Chen Jing together with their respective associates are interested in a total of 4,307,968,000 Shares. The assured entitlements of the 4,307,968,000 Shares, namely, 205,141,332 Rights Shares, will be taken up by Wealth Zone and Set Hero pursuant to the Irrevocable Undertakings. Accordingly, the Board expects that the maximum number of the Rights Shares that Wealth Zone will be able to apply for by way of excess application will be 90,574,189 Right Shares (assuming no change in the number of Shares in issue on or before the Record Date) or 91,013,546 Rights Shares (assuming no change in the number of Shares in issue other than the full exercise of outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of the Shares on or before the Record Date). However, the actual number of Rights Shares that will be able to be allocated (relating to the excess application) to Wealth Zone will be subject to the level of subscription for the Rights Shares by way of excess application by other Qualifying Shareholders.

POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

As at the date of this announcement, there are 12,819,000 outstanding Share Options granted by the Company, of which 9,226,500 are Vested Share Options. Pursuant to the terms of the Share Option Scheme, the Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the outstanding Share Options under the Share Option Scheme. The Company will notify the holders of such Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

Save for the foregoing, as at the date of this announcement, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

WARNING OF THE RISKS OF DEALINGS IN SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Shareholders should note that the Shares are expected to be dealt in on an ex-rights basis commencing from Thursday, 23 December 2021. The Rights Shares are expected to be dealt with in their nil-paid form from Friday, 7 January 2022 to Friday, 14 January 2022 (both days inclusive). Any Shareholders or other persons dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled (which is expected to be at 4:00 p.m. on Thursday, 20 January 2022), or any dealings in the Rights Shares in their nil-paid form from Friday, 7 January 2022 to Friday, 14 January 2022 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholders or other persons who are in any doubt about their position or any action to be taken are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

The register of members of the Company will be closed from Wednesday, 29 December 2021 to Tuesday, 4 January 2022 (both days inclusive) to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period. To qualify for the Rights Issue, a Qualifying Shareholder’s name must appear on the register of members of the Company in Hong Kong at 5:00 p.m. on the Record Date, which is currently expected to be Tuesday, 4 January 2022. In order to be registered as a member of the Company in Hong Kong at 5:00 p.m. on the Record Date, any transfer of Shares (together with the relevant share certificates) must be lodged with the Registrar for registration by 4:30 p.m. on Tuesday, 28 December 2021.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

RESUMPTION OF TRADING

At the request of the Company, trading of Shares was halted with effect from 9:00 a.m. on Tuesday, 30 November 2021. Application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares with effect from 9:00 a.m. on Thursday, 2 December 2021.

RIGHTS ISSUE

The Company proposes the Rights Issue, details of which are summarised below:

- Basis of the Rights Issue : One (1) Rights Share for every twenty-one (21) existing Shares in issue and held on the Record Date by the Qualifying Shareholders
- Number of Shares in issue as of the date of this announcement : 6,210,026,000 Shares
- Number of Rights Shares : 295,715,521 Rights Shares (assuming there is no change in the number of Shares in issue from the date of this announcement up to and including the Record Date) or 296,154,878 Rights Shares (assuming no change in the number of Shares in issue other than the full exercise of the outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date)
- Subscription Price : HK\$5.30 per Rights Share
- Number of Shares in issue immediately following the completion of the Rights Issue : Up to 6,505,741,521 Shares (assuming there is no other change in the number of Shares in issue from the date of this announcement up to and including the completion of the Rights Issue other than the Rights Issue) or up to 6,515,407,378 Shares (assuming there is no other change in the number of Shares in issue from the date of this announcement up to and including the completion of the Rights Issue other than the full exercise of the outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date and the Rights Issue)
- Aggregate nominal value of the Rights Shares : Up to HK\$295,715.52 (assuming there is no other change in the number of Shares in issue from the date of this announcement up to and including the completion of the Rights Issue other than the Rights Issue) or up to HK\$296,154.88 (assuming there is no other change in the number of Shares in issue from the date of this announcement up to and including the completion of the Rights Issue other than the full exercise of the outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date and the Rights Issue)
- Amount to be raised : Up to approximately HK\$1,567.29 million before expenses (assuming there is no other change in the number of Shares in issue from the date of this announcement up to and including the completion of the Rights Issue other than the Rights Issue) or up to approximately HK\$1,569.62 million before expenses (assuming there is no other change in the number of Shares in issue from the date of this announcement up to and including the completion of the Rights Issue other than the full exercise of the outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date and the Rights Issue)

As at the date of this announcement, there are 12,819,000 outstanding Share Options granted by the Company, of which 9,226,500 are Vested Share Options. Assuming the full exercise of the subscription rights attached to the Vested Share Options by their holders and such holders are registered as holders of the Shares allotted and issued on or before the Record Date, a total of 9,226,500 new Shares would fall to be allotted and issued, which would result in the issue of 439,357 additional Rights Shares. Save for the foregoing, as at the date of this announcement, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Assuming there is no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 295,715,521 Rights Shares proposed to be issued pursuant to the Rights Issue represents approximately 4.55% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Assuming there is no change in the number of issued Shares on or before the Record Date other than the full exercise of outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 296,154,878 Rights Shares proposed to be issued pursuant to the Rights Issue represents approximately 4.55% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Share.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders, and to the extent reasonably practicable, the Company will send copies of the Prospectus (without the PAL and EAF) to the Excluded Shareholders for their information only.

Please take special note that the Company will send the PAL and EAF to the Qualifying Shareholders only. The register of members of the Company will be closed from Wednesday, 29 December 2021 to Tuesday, 4 January 2022 (both days inclusive) to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period.

To qualify for the Rights Issue, a Shareholder must: (i) be registered as a member of the Company at the close of business on the Record Date; and (ii) not be an Excluded Shareholder.

In order to be registered as members of the Company at 5:00 p.m. on the Record Date, Qualifying Shareholders must lodge any transfer of Shares (with the relevant share certificates) for registration with the Registrar by 4:30 p.m. on Tuesday, 28 December 2021.

The last day for dealing in the Shares on a cum-rights basis is Wednesday, 22 December 2021. The Shares will be dealt with on an ex-rights basis from Thursday, 23 December 2021.

The branch share registrar and transfer office of the Company in Hong Kong is:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

The latest time for acceptance of and payment for the Rights Shares is expected to be at 4:00 p.m. on Wednesday, 19 January 2022.

Holders of Vested Share Options who wish to participate in the Rights Issue should exercise their Share Options in accordance with the terms and conditions of the Share Option Scheme and be registered as holders of the Shares so allotted and issued to them pursuant to such exercise on or before the Record Date.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up his/her/its/their entitlement in full under the Rights Issue, his/her/its/their proportionate shareholding in the Company may be diluted.

Rights of PRC Southbound Trading Investors

According to the "Stock Connect Southbound Shareholding Search" available on the Stock Exchange's website, as at 30 November 2021, ChinaClear held 383,052,000 Shares, representing approximately 6.15% of the total number of the issued Shares.

The Directors have made the relevant enquiries and they were advised that the PRC Southbound Trading Investors who hold Shares through ChinaClear as nominee under China Connect can participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares on the Stock Exchange; and/or (ii) subscribe for the Rights Shares (in full or in part) for their pro rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. In addition, according to the PRC legal adviser of the Company, the PRC Southbound Trading Investors (or the relevant ChinaClear participants as the case may be) whose stock accounts are credited with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under China Connect but could not purchase any other nil-paid Rights Shares nor transfer any nil-paid Rights Shares to other PRC Southbound Trading Investors. The PRC Southbound Trading Investors cannot sell or subscribe for Rights Shares until after the Company completes its filing with the CSRC.

The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participant) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions for such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the latest time for acceptance of and payment for the Rights Shares (currently expected to be 4:00 p.m. on Wednesday, 19 January 2022) or last day of dealing in nil-paid Rights Shares (currently expected to be Friday, 14 January 2022) and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or ChinaClear in order to allow sufficient time to ensure that such instructions are given effect.

According to the PRC legal adviser of the Company, as the Prospectus Documents will not be and are not intended to be filed with or approved by the CSRC other than in accordance with the relevant requirements of China Connect, the Rights Shares in nil-paid or fully-paid forms issued to the PRC Southbound Trading Investors shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless through China Connect, or the person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

Rights of the Overseas Shareholders

The Prospectus Documents are not expected to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will comply with Rule 13.36(2) of the Listing Rules and make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any), and if, having made such enquiry, the Directors consider that it is necessary or expedient not to extend the Rights Issue to these Overseas Shareholders on account either of the legal restrictions under the laws of the place of his/her/its/their registered address or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders and the Company will disclose the explanation for such exclusion in the Prospectus. To the extent reasonably practicable, the Company will only send the Prospectus to the Excluded Shareholders for their information.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. Proceeds of each sale, less expenses and stamp duty, above HK\$100 will be distributed by the Company to the relevant Excluded Shareholders pro rata to their shareholdings on the Record Date (but rounded down to the nearest cent) in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold nil-paid Rights Shares of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders other than the PRC Southbound Trading Investors).

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue pursuant to section 140 of the Companies Ordinance and Rule 13.36(2)(a) of the Listing Rules subject to the results of the enquiries made by the Board. The Company reserves the right to treat as invalid any acceptance of or applications for Right Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares.

The Subscription Price

The Subscription Price is HK\$5.30 per Rights Share and is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the relevant Rights Shares.

The Subscription Price represents

- (a) a discount of approximately 5.86% to the closing price of HK\$5.63 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 11.19% to the average closing price of HK\$5.968 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 12.69% to the average closing price of HK\$6.07 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day; and
- (d) a discount of approximately 5.61% to the theoretical ex-rights price of HK\$5.615 based on the closing price of HK\$5.63 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was determined by the Directors with reference to, among other things, the recent market prices of the Shares and the prevailing market conditions.

The Board considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$5.27 (assuming no change in the number of Shares in issue on or before the Record Date) and approximately HK\$5.27 (assuming no change in the number of Shares in issue other than the full exercise of outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date).

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every twenty-one (21) existing Shares in issue and held by the Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for. Any holdings (or balance of holdings) of less than twenty-one (21) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed "Fractional entitlements" below.

Fractional entitlements

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any such unsold aggregated fractions of nil-paid Rights Shares will be made available for excess application by the Qualifying Shareholders (other than the PRC Southbound Trading Investors).

Odd lot matching services

Upon completion of the Rights Issue, the board lots of the Company will remain as 2,000 Shares. In order to facilitate the trading of odd lots of Shares which will arise upon the Rights Issue, the Company will procure an arrangement with an agent to stand in the market to provide matching services for sale and purchase of odd lots of Shares on a best effort basis. Further details in respect of the odd lots arrangements will be set out in the Prospectus.

Holders of Shares in odd lots should note that the matching services mentioned above are on a "best effort" basis only and successful matching of the sale and purchase of odd lots of Shares is not guaranteed and will depend on there being adequate amount of odd lots of Shares available for matching. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its/their own professional advisers.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully-paid) will rank pari passu in all respects with the then existing Shares in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid in respect thereof on or after the date of allotment and issue of such Rights Shares in their fully-paid form.

Application for excess Rights Shares

Qualifying Shareholders (other than the PRC Southbound Trading Investors) may apply, by way of excess application, for (i) any unsold entitlements of the Excluded Shareholders; (ii) any Rights Shares provisionally allotted but not accepted; and (iii) any unsold Rights Shares arising out of the aggregation of fractional entitlements.

Application for excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker's cashier order for the sum payable for the excess Rights Shares being applied for with the Registrar by a time which is currently expected to be 4:00 p.m. on Wednesday, 19 January 2022 (Hong Kong time).

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to Rights Shares subscribed through applications by PAL(s) or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PAL(s) is greater than the aggregate number of excess Rights Shares applied for through EAF(s), the Directors will allocate in full to each Qualifying Shareholder (other than the PRC Southbound Trading Investors) the number of excess Rights Shares applied for under the EAF(s).

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for. No preference will be given to topping up odd lots to whole board lots.

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

Shareholders with Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of their relevant Shares under the names of the beneficial owners prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

Certificates and refund cheques for the Rights Issue

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be despatched by ordinary post on or before Thursday, 27 January 2022 to those persons who have validly accepted and paid for the Rights Shares and those successful applicants for the excess Rights Shares to the registered address or, in case of joint applicants, to the registered address of the applicant whose name first appears in the register of members of the Company in Hong Kong or, as the case may be, the transfer form, at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) will be despatched on or before Thursday, 27 January 2022 by ordinary post to the registered addresses as aforesaid at the respective applicants' own risks. One share certificate will be issued for all the Rights Shares a shareholder is entitled to.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid and fully-paid Rights Shares will be traded in board lots of 2,000 Shares.

No part of the Shares for which listing or permission to deal is being or is proposed to be sought, is listed, or dealt in on any other stock exchange.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests if they are in any doubt.

Stamp duty and other applicable fees and charges

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the Registrar, will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

The Rights Issue on a non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed.

Besides, any Shareholder who applies to take up all or part of his/her/its/their entitlement under the PAL or apply for excess Rights Shares under EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained.

Accordingly, the Rights Issue will be made on the term that the Company will provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the applications of any Shareholder for his/her/its/their entitlement under the PAL or for excess Rights Shares under the EAF can be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code.

Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled:

- (a) the delivery to the Stock Exchange for authorisation and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Board (and all other documents required to be attached thereto) not later than the Posting Date and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance;
- (b) the posting of the Prospectus Documents to Qualifying Shareholders on the Posting Date; and
- (c) the Listing Committee of the Stock Exchange granting, or agreeing to grant (subject to allotment), the listing of and permission to deal in the Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions as the Company may accept.

None of the above conditions can be waived. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Thursday, 20 January 2022, the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed accordingly.

Irrevocable Undertakings

As at the date of this announcement, Wealth Zone and Set Hero, being the controlling shareholders, hold 4,223,794,000 Shares and 84,174,000 Shares, representing approximately 68.02% and 1.36%, respectively, of the issued share capital of the Company.

On 1 December 2021, the Company received from Wealth Zone and Set Hero the Irrevocable Undertakings, pursuant to which:

- (i) Wealth Zone and Set Hero have irrevocably undertaken to the Company to subscribe for an aggregate of 205,141,332 Rights Shares (as to 201,133,047 Rights Shares and 4,008,285 Right Shares to be subscribed by Wealth Zone and Set Hero respectively) which will be provisionally allotted to them nil-paid in respect of the Shares legally and beneficially owned by them in aggregate, pursuant to the terms of the Prospectus Documents; and
- (ii) Wealth Zone and Set Hero have irrevocably undertaken to the Company to ensure that the 4,307,968,000 Shares currently beneficially owned by them will not be sold, disposed of or transferred by them and will remain beneficially owned by them in aggregate on the Record Date.

Save for the Irrevocable Undertakings, the Company has not received any information or irrevocable undertaking from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the date of this announcement.

INTENTION OF WEALTH ZONE

The Board has been informed by Wealth Zone that, in addition to its committed subscription, in accordance with the Irrevocable Undertakings, of the 201,133,047 Rights Shares to be provisionally allotted to it pursuant to the terms of the Rights Issue, Wealth Zone intends to apply, by way of excess application, for the maximum number of the Rights Shares allowed under Rule 7.21(3)(b) of the Listing Rules.

Wealth Zone is ultimately held by Hua Sheng Trust found by Mr. Wang Zhenhua, a controlling shareholder of the Company. As at the date of this announcement, Mr. Wang Zhenhua and Ms. Chen Jing together with their respective associates are interested in a total of 4,307,968,000 Shares. The assured entitlements of the 4,307,968,000 Shares, namely, 205,141,332 Rights Shares, will be taken up by Wealth Zone and Set Hero pursuant to the Irrevocable Undertakings. Accordingly, the Board expects that the maximum number of the Rights Shares that Wealth Zone will be able to apply for by way of excess application will be 90,574,189 Right Shares (assuming no change in the number of Shares in issue on or before the Record Date) or 91,013,546 Rights Shares (assuming no change in the number of Shares in issue other than the full exercise of outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of the Shares on or before the Record Date). However, the actual number of Rights Shares that will be able to be allocated (relating to the excess application) to Wealth Zone will be subject to the level of subscription for the Rights Shares by way of excess application by other Qualifying Shareholders.

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

For illustration purposes only, set out below is the shareholding structure of the Company (a) as at the date of this announcement; (b) immediately after completion of the Rights Issue assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full; (c) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than Wealth Zone and Set Hero pursuant to the Irrevocable Undertakings) have taken up any entitlements of the Rights Shares; and (d) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders take up their entitlements to the Rights Shares except for (i) Wealth Zone and Set Hero taking up the Rights Shares in accordance with the Irrevocable Undertakings; and (ii) Wealth Zone applying by way of excess application, for the maximum number of Rights Shares allowed under Rule 7.21(3)(b) of the Listing Rules:

- (a) assuming no outstanding Vested Share Options being exercised and there is no other change in the shareholding structure of the Company before completion of the Rights Issue:

	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Qualifying Shareholders take up their respective entitlements to the Rights Shares in full)		Immediately after completion of the Rights Issue (assuming none of the Qualifying Shareholders take up their respective entitlements to the Rights Shares except for Wealth Zone and Set Hero who will take up the Rights Shares in accordance with the Irrevocable Undertakings)		Immediately after completion of the Rights Issue (assuming none of the Qualifying Shareholders take up their respective entitlements to the Rights Shares except for (i) Wealth Zone and Set Hero taking up the Rights Shares in accordance with the Irrevocable Undertakings; and (ii) Wealth Zone applying by way of excess application, for the maximum number of Rights Shares allowed under Rule 7.21(3)(b) of the Listing Rules)	
	<i>No. of Shares</i>	<i>% (approx.)</i>	<i>No. of Shares</i>	<i>% (approx.)</i>	<i>No. of Shares</i>	<i>% (approx.)</i>	<i>No. of Shares</i>	<i>% (approx.)</i>
Wealth Zone (Notes 1, 3 and 4)	4,223,794,000	68.02	4,424,927,047	68.02	4,424,927,047	68.98	4,515,501,236	69.41
Set Hero (Note 2)	84,174,000	1.36	88,182,285	1.36	88,182,285	1.37	88,182,285	1.36
Controlling shareholders	4,307,968,000	69.37	4,513,109,332	69.37	4,513,109,332	70.35	4,603,683,521	70.76
Directors and their respective close associates	28,700,000	0.46	30,066,666	0.46	28,700,000	0.45	28,700,000	0.44
Public Shareholders	1,873,358,000	30.17	1,962,565,523	30.17	1,873,358,000	29.20	1,873,358,000	28.80
Total	6,210,026,000	100.00	6,505,741,521	100.00	6,415,167,332	100.00	6,505,741,521	100.00

Notes:

- Mr. Wang Zhenhua is the founder of the Hua Sheng Trust, through which Chen Ting Sen (PTC) Limited held long position in 4,223,794,000 Shares through its controlled corporations in its capacity as trustee.
- Ms. Chen Jing, spouse of Mr. Wang Zhenhua, holds 100% of Set Hero which holds the 84,174,000 Shares. Ms. Chen Jing is deemed under the SFO to be interested in the shares of Mr. Wang Zhenhua and vice versa.

3. Chen Ting Sen (PTC) Limited, as trustee of the Hua Sheng Trust, which was established by Mr. Wang Zhenhua as the settlor in favour of his family members, held 100% of the issued share capital of Infinity Fortune Development Limited, which in turn held 100% of the issued share capital of First Priority Group Limited.
4. Wealth Zone is held as to 100% of its issued share capital by First Priority Group Limited.

(b) assuming all the outstanding Vested Share Options being exercised and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date and there is no other change in the shareholding structure of the Company before completion of the Rights Issue:

	As at the date of this announcement		Upon full exercise of the outstanding Vested Share Options on or before the Record Date		Immediately after completion of the Rights Issue (assuming all Qualifying Shareholders take up their respective entitlements to the Rights Shares in full)		Immediately after completion of the Rights Issue (assuming none of the Qualifying Shareholders take up their respective entitlements to the Rights Shares except for Wealth Zone and Set Hero who will take up the Rights Shares in accordance with the Irrevocable Undertakings)		Immediately after completion of the Rights Issue (assuming none of the Qualifying Shareholders take up their respective entitlements to the Rights Shares except for Wealth Zone and Set Hero taking up the Rights Shares in accordance with the Irrevocable Undertakings; and (ii) Wealth Zone applying by way of excess application, for the maximum number of Rights Shares allowed under Rule 7.21(3)(b) of the Listing Rules)	
	No. of Shares (approx.)	%	No. of Shares (approx.)	%	No. of Shares (approx.)	%	No. of Shares (approx.)	%	No. of Shares (approx.)	%
Wealth Zone										
<i>(Notes 1, 3 and 4)</i>	4,223,794,000	68.02	4,223,794,000	67.91	4,424,927,047	67.91	4,424,927,047	68.88	4,515,940,593	69.31
Set Hero <i>(Note 2)</i>	84,174,000	1.36	84,174,000	1.35	88,182,285	1.35	88,182,285	1.37	88,182,285	1.35
<i>Controlling shareholders</i>	4,307,968,000	69.37	4,307,968,000	69.27	4,513,109,332	69.27	4,513,109,332	70.25	4,604,122,878	70.67
<i>Directors and their respective close associates</i>	28,700,000	0.46	31,430,000	0.50	32,926,666	0.51	31,430,000	0.49	31,430,000	0.48
Public Shareholders	1,873,358,000	30.17	1,879,854,500	30.23	1,969,371,380	30.23	1,879,854,500	29.26	1,879,854,500	28.85
Total	6,210,026,000	100.00	6,219,252,500	100.00	6,515,407,378	100.00	6,424,393,832	100.00	6,515,407,378	100.00

Notes:

1. Mr. Wang Zhenhua is the founder of the Hua Sheng Trust, through which Chen Ting Sen (PTC) Limited held long position in 4,223,794,000 Shares through its controlled corporations in its capacity as trustee.
2. Ms. Chen Jing, spouse of Mr. Wang Zhenhua, holds 100% of Set Hero which holds the 84,174,000 Shares. Ms. Chen Jing is deemed under the SFO to be interested in the shares of Mr. Wang Zhenhua and vice versa.
3. Chen Ting Sen (PTC) Limited, as trustee of the Hua Sheng Trust, which was established by Mr. Wang Zhenhua as the settlor in favour of his family members, held 100% of the issued share capital of Infinity Fortune Development Limited, which in turn held 100% of the issued share capital of First Priority Group Limited.
4. Wealth Zone is held as to 100% of its issued share capital by First Priority Group Limited.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the property development, property investment and property management services in the PRC.

Assume all Rights Shares are taken up, the net proceeds from the Rights Issue after deducting the expenses are estimated to be (i) approximately HK\$1,559.79 million (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$1,562.12 million (assuming no change in the number of Shares in issue other than the full exercise of outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date).

The net proceeds are intended to be used for 60% as additional capital reserve to capture business opportunities for property development in the PRC and 40% as general corporate purposes.

The Qualifying Shareholders who elect not to participate in the Rights Issue will have the opportunity to sell the nil-paid Rights Shares in the market while the Qualifying Shareholders who wish to increase their shareholding in the Company through the Rights Issue will have the opportunity to acquire additional nil-paid Rights Shares in the market and/or through application for excess Rights Shares.

The Directors consider that the Rights Issue provides a good opportunity for the Group to strengthen its capital base without incurring debt financing cost and to enhance its financial position, while at the same time the Rights Issue will enable the Shareholders to participate in the future development of the Group. Therefore, the Directors are of the view that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

The Group has considered fund raising by issuing debt securities or debt financing but the Board considers that any further debt financing or borrowings for the time being would increase the gearing ratio of the Group, leading to the Group incurring further interest expenses which is contrary to the Board's intention to reduce the gearing ratio and interest expenses of the Group to a more favourable level. Therefore, the Board has ruled out debt financing as a source for raising funds in this occasion.

The Board also considered the option of placing new Shares, but taking into account (i) the dilution of the interests of Shareholders without giving them the opportunity to take part in the exercise; and (ii) the engagement of a placing agent which would incur additional costs and expenses on the part of the Company, it was not considered by the Board to be the most suitable fund-raising method for the Company in this occasion. Further, the Board considered that a rights issue would be more favourable and attractive to the Shareholders than an open offer because it would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

In light of the above, the Board is of the view that the Rights Issue is the most appropriate fund-raising method in this occasion and that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company will make further announcement(s) in the future in accordance with the applicable requirements of the Listing Rules as and when appropriate if any other suitable fund-raising opportunities arise, having regard to the financing needs of the Group at the time.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

Event	Time and Date
Publication of the Rights Issue announcement	Wednesday, 1 December 2021
Last day of dealing in the Shares on cum-rights basis.	Wednesday, 22 December 2021
First day of dealings in the Shares on ex-rights basis	Thursday, 23 December 2021
Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue	4:30 p.m. on Tuesday, 28 December 2021
Register of members of the Company closes for determining entitlements under the Rights Issue (both dates inclusive).	Wednesday, 29 December 2021 to Tuesday, 4 January 2022
Record Date for the Rights Issue.	Tuesday, 4 January 2022
Despatch of the Prospectus Documents (including the PALs and EAFs)	Wednesday, 5 January 2022
First day of dealings in nil-paid Rights Shares	Friday, 7 January 2022
Latest time for splitting of PALs.	4:30 p.m. on Tuesday, 11 January 2022
Latest time of dealings in nil-paid Rights Shares	4:00 p.m. on Friday, 14 January 2022
Latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares.	4:00 p.m. on Wednesday, 19 January 2022
Rights Issue expected to become unconditional	4:00 p.m. on Thursday, 20 January 2022

Announcement of the allotment results of the Rights Issue	Wednesday, 26 January 2022
Despatch of refund cheques for wholly or partially unsuccessful applications for excess Rights Shares	on or before Thursday, 27 January 2022
Despatch of certificates for the fully-paid Rights Shares	on or before Thursday, 27 January 2022
Commencement of dealings in the fully-paid Rights Shares	9:00 a.m. on Friday, 28 January 2022

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by super typhoon as announced by the Government of Hong Kong or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 19 January 2022. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 19 January 2022. Instead the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance does not take place on Wednesday, 19 January 2022, the dates mentioned herein may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

As at the date of this announcement, there are 12,819,000 outstanding Share Options granted by the Company, of which 9,226,500 are Vested Share Options. Pursuant to the terms of the Share Option Scheme, the Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the outstanding Share Options under the Share Option Scheme. The Company will notify the holders of such Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

Save for the foregoing, as at the date of this announcement, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

PREVIOUS FUND RAISING EXERCISE OF THE COMPANY

There has been no equity fund raising activities carried out by the Company in the 12 months immediately preceding the date of this announcement.

GENERAL

The Prospectus Documents, containing further information on the Rights Issue will be despatched to the Qualified Shareholders on Wednesday, 5 January 2022. To the extent reasonably practicable, the Prospectus will be despatched to the Excluded Shareholders for their information only. Shareholders and potential investors should exercise caution in dealing in the Shares.

LISTING RULES IMPLICATIONS

Pursuant to Rule 7.19A(1) of the Listing Rules, since the Rights Issue would not increase either the number of issued Shares or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the Company (i) within the 12 months period immediately preceding this announcement or (ii) prior to such 12 months period where dealing in respect of the Shares issued pursuant thereto commenced within such 12 months period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to Shareholders as part of such rights issues or open offers), the Rights Issue is not conditional upon approval by the Shareholders.

WARNING OF THE RISKS OF DEALINGS IN SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Shareholders should note that the Shares are expected to be dealt in on an ex-rights basis commencing from Thursday, 23 December 2021. The Rights Shares are expected to be dealt with in their nil-paid form from Friday, 7 January 2022 to Friday, 14 January 2022 (both days inclusive). Any Shareholders or other persons dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled (which is expected to be at 4:00 p.m. on Thursday, 20 January 2022), or any dealings in the Rights Shares in their nil-paid form from Friday, 7 January 2022 to Friday, 14 January 2022 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholders or other persons who are in any doubt about their position or any action to be taken are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

The register of members of the Company will be closed from Wednesday, 29 December 2021 to Tuesday, 4 January 2022 (both days inclusive) to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the register of members of the Company in Hong Kong at 5:00 p.m. on the Record Date, which is currently expected to be Tuesday, 4 January 2022. In order to be registered as a member of the Company in Hong Kong at 5:00 p.m. on the Record Date, any transfer of Shares (together with the relevant share certificates) must be lodged with the Registrar for registration by 4:30 p.m. on Tuesday, 28 December 2021.

RESUMPTION OF TRADING

At the request of the Company, trading of Shares was halted with effect from 9:00 a.m. on Tuesday, 30 November 2021. Application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares with effect from 9:00 a.m. on Thursday, 2 December 2021.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China Connect”	Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, a securities trading and clearing platform under which PRC domestic investors may trade in the Stock Exchange via ChinaClear

“ChinaClear”	China Securities Depository and Clearing Corporation Limited
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended and supplemented from time to time
“Company”	Seazen Group Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders (other than the PRC Southbound Trading Investors) who wish to apply for Rights Shares in excess of their entitlements under the Rights Issue
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Irrevocable Undertakings”	a letter of irrevocable undertaking dated 1 December 2021 executed by Wealth Zone and Set Hero in favour of the Company, the principal terms of which are disclosed in the section headed “The Irrevocable Undertakings” in this announcement
“Last Trading Day”	29 November 2021, being the trading day of the Shares on the Stock Exchange preceding the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Overseas Shareholders”	Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	5 January 2022 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“PRC”	the People’s Republic of China
“PRC Southbound Trading Investor(s)”	the PRC southbound trading investor(s) through China Connect who hold(s) the Share(s) through ChinaClear and/or HKSCC Nominees Limited as nominee(s)
“Prospectus”	the prospectus of the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	4 January 2022 or such other date as the Company may determine, being the date by reference to which entitlements to the Rights Issue are to be determined
“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office
“Rights Issue”	the proposed issue of the Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every twenty-one (21) existing Shares, payable in full upon acceptance
“Rights Share(s)”	the 295,715,521 new Shares (assuming there is no change in the number of Shares in issue after the date of this announcement up to and including the Record Date) or up to 296,154,878 new Shares (assuming there is no change in the number of Shares in issue after the date of this announcement up to and including the Record Date other than the full exercise of the outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date) proposed to be allotted and issued by way of rights to the Qualifying Shareholders under the Rights Issue
“Set Hero”	Set Hero Developments Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company

“SFC”	the Securities and Futures Commission in Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) with par value of HK\$0.001 each in the issued share capital of the Company
“Share Option(s)”	the outstanding share options granted under the Share Option Scheme
“Share Option Scheme”	the existing share option scheme adopted by the Company on 6 November 2012
“Shareholder(s)”	holder(s) of share(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$5.30 per Rights Share under the Rights Issue
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Buy-Backs
“Vested Share Options”	Share Options which have been validly vested to the holders entitling them to subscribe for Shares on or before the Record Date (being Share Options in respect of 9,226,500 Shares as at the date of this announcement)
“Wealth Zone”	Wealth Zone Hong Kong Investments Limited (富域香港投資有限公司), a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company

By order of the Board
Seazen Group Limited
Wang Xiaosong
Chairman

The PRC, 2 December 2021

As at the date of this announcement, the Directors are Mr. Lv Xiaoping and Mr. Lu Zhongming as executive Directors, Mr. Wang Xiaosong, Mr. Qu Dejun and Mr. Zhang Shengman as non-executive Directors, and Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei as independent non-executive Directors.