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China Jinmao Holdings Group Limited
中國金茂控股集團有限公司
(Incorporated in Hong Kong with limited liability)
(Stock code: 00817)



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)

JOINT ANNOUNCEMENT

ADDITIONAL IRREVOCABLE UNDERTAKING

AND

FULFILMENT OF CERTAIN PRE-CONDITIONS

WITH RESPECT TO

PROPOSED PRIVATISATION OF CHINA VAST BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES ACT

PROPOSED WITHDRAWAL OF LISTING OF CHINA VAST

SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENT, CONTROLLING SHAREHOLDER CANCELLATION PRICE AND SHAREHOLDER ARRANGEMENTS

Financial Adviser to China Jinmao



**China VAST Independent Financial Adviser to the China VAST
Independent Board Committee**

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
滙博資本有限公司

Reference is made to (i) the joint announcement issued by China Jinmao Holdings Group Limited (“**China Jinmao**”) and China VAST Industrial Urban Development Company Limited (“**China VAST**”) dated 9 June 2022 (the “**Rule 3.5 Announcement**”) in relation to, among other things, the proposed privatisation of China VAST by China Jinmao by way of a scheme of arrangement under Section 86 of the Companies Act; (ii) the announcement issued by China VAST dated 17 June 2022 in relation to, among other things, the appointment of the China VAST Independent Financial Adviser; (iii) the joint announcement issued by China Jinmao and China VAST dated 30 June 2022 in relation to the delay in despatch of the Scheme Document; (iv) the joint announcement issued by China Jinmao and China VAST dated 29 July 2022 in relation to the monthly update on the Proposal (the “**July Monthly Update Announcement**”); (v) the joint announcement issued by China Jinmao and China VAST dated 29 August 2022 in relation to the further delay in despatch of the Scheme Document and the second monthly update on the progress of the Proposal (the “**Second Delay in Despatch and August Monthly Update Announcement**”); and (vi) the joint announcement issued by China Jinmao and China VAST dated 29 September 2022 in relation to the third monthly update on the progress of the Proposal (the “**September Monthly Update Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Rule 3.5 Announcement.

ADDITIONAL IRREVOCABLE UNDERTAKING

As disclosed in the Rule 3.5 Announcement, China Jinmao had entered into the Controlling Shareholder Irrevocable Undertaking with the China VAST Controlling Shareholders on 9 June 2022, pursuant to which each of the China VAST Controlling Shareholders has unconditionally and irrevocably undertaken, among other things, in respect of any China VAST Shares held by her/it or her/its affiliates, to vote in favour of any resolutions to be proposed at the China VAST EGM to approve and give effect to the reduction of the share capital of China VAST, to assist the implementation of the Proposal or which are necessary for the Proposal and the Scheme to become effective. The 727,845,654 China VAST Shares held by the China VAST Controlling Shareholders (the “**Existing Committed Shares**”) represent approximately 44.08% of the total number of issued China VAST Shares as at the date of the Rule 3.5 Announcement and as at the date of this announcement.

China Jinmao is pleased to announce that it has entered into one additional irrevocable undertaking with Chance Talent Management Limited (“**Chance Talent**”) on 12 October 2022 (the “**Chance Talent Irrevocable Undertaking**”). As at the date of this announcement, Chance Talent holds 8,060,000 China VAST Shares (the “**New Committed Shares**”), representing approximately 0.49% of the total number of issued China VAST Shares and approximately 1.88% of the total number of issued China VAST Shares held by the Disinterested Shareholders or the Independent Shareholders (as the case may be) as at the date of this announcement, as well as the Chance Talent Convertible Notes and the Chance Talent Notes.

Under the Chance Talent Irrevocable Undertaking, Chance Talent has unconditionally and irrevocably undertaken, subject to the Chance Talent Irrevocable Undertaking:

- (a) to waive the Convertible Note Offer in respect of all of the Chance Talent Convertible Notes it holds which China Jinmao is required to make under the Takeovers Code;
- (b) not to, and to procure its affiliates not to, during the period starting from the date of the Chance Talent Irrevocable Undertaking and ending on the date the Chance Talent Convertible Notes are redeemed on its maturity date in accordance with its terms (both days inclusive), exercise any conversion right in respect of any of the Chance Talent Convertible Notes it or its affiliates hold;

- (c) to procure the exercise of the voting rights in respect of the New Committed Shares in which it is interested to vote in favour of any resolutions to be proposed at the Court Meeting and the China VAST EGM to approve and give effect to the Proposal and the Scheme (including to give effect to the reduction of the share capital of China VAST), to assist the implementation of the Proposal or which are necessary for the Proposal and the Scheme to become effective;
- (d) to procure the exercise of the voting rights in respect of the New Committed Shares in which it is interested to vote against any resolution which might prevent or delay the implementation of the Proposal, or purports to approve or give effect to a proposal by a person other than China Jinmao to acquire any China VAST Shares (unless such proposal offers a higher cancellation price as compared to the Proposal); and
- (e) not to, directly or indirectly, sell, transfer, charge, create or grant any option over or otherwise dispose of any interest in any of the New Committed Shares, the Chance Talent Convertible Notes and the Chance Talent Notes in which it is interested, save that Chance Talent may dispose of any of its interests in the Chance Talent Convertible Notes and the Chance Talent Notes when an event of default under, or a right of early redemption of, the Chance Talent Convertible Notes and the Chance Talent Notes (which has not been amended or waived by Chance Talent) has occurred or has been triggered and Chance Talent has procured the transferee to unconditionally and irrevocably provide the same undertakings as set out in (a) and (b) above to China Jinmao and China VAST; enter into any agreement or arrangement in respect of the votes or other rights attached to any of the New Committed Shares in which it is interested, unless an event of default under, or a right of early redemption of, the Chance Talent Convertible Notes and the Chance Talent Notes (which has not been amended or waived by Chance Talent) has occurred or has been triggered; enter into any discussion, negotiation, agreement or arrangement or incur any obligation with any person in relation to any of the New Committed Shares, the Chance Talent Convertible Notes and the Chance Talent Notes in which it is interested, nor will it accept or otherwise agree to any other offer, scheme of arrangement, merger or other business combination in respect of all or any of the New Committed Shares in which it is interested (unless such offer, scheme of arrangement, merger or business combination offers a higher cancellation price as compared to the Proposal).

The Chance Talent Irrevocable Undertaking will be terminated immediately if the Proposal is not implemented (due to the Pre-Conditions not being satisfied or waived on or before the Pre-Conditions Long Stop Date), the Conditions are not satisfied or waived on or before the Conditions Long Stop Date, the Scheme lapses or is withdrawn in accordance with its terms or the Scheme is not approved at the Court Meeting.

THE CONVERTIBLE NOTE OFFER

As (i) Chance Talent is the only holder of Chance Talent Convertible Notes as at the date of this announcement, and (ii) Chance Talent has agreed after the date of the Rule 3.5 Announcement pursuant to the terms of the Chance Talent Irrevocable Undertaking that, among other things, it will waive the Convertible Note Offer in respect of the Chance Talent Convertible Notes which China Jinmao is required to make under the Takeovers Code, and it will not dispose of any interest in the Chance Talent Convertible Notes in which it is interested unless an event of default under, or a right of early redemption of, the Chance Talent Convertible Notes (which has not been amended or waived by Chance Talent) has occurred or has been triggered, and it shall be a condition to such disposal that the transferee shall undertake to waive the Convertible Note Offer, hence the Convertible Note Offer will not be accepted by holder(s) of the Chance Talent Convertible Notes even if it is made. China Jinmao is therefore no longer required to and will not make (or procure to be made on its behalf) the Convertible Note Offer in accordance with Rule 13 of the Takeovers Code.

FULFILMENT OF CERTAIN PRE-CONDITIONS

As disclosed in the Rule 3.5 Announcement, the making of the Proposal, and the implementation of the Scheme are subject to the satisfaction (or, if capable of being waived, waiver) of the Pre-Conditions set out in the paragraph headed “Pre-Conditions to the Proposal and the Scheme” in the Rule 3.5 Announcement on or before the Pre-Conditions Long Stop Date.

As disclosed in the July Monthly Update Announcement, the Pre-Conditions as set out in paragraphs (b) and (e)(i) of the paragraph headed “Pre-Conditions to the Proposal and the Scheme” in the Rule 3.5 Announcement have been fulfilled.

China Jinmao and China VAST are pleased to announce that as of the date of this announcement, the Pre-Conditions set out in paragraphs (c), (e)(ii), (e)(iii) and (f) of the paragraph headed “Pre-Conditions to the Proposal and the Scheme” in the Rule 3.5 Announcement have been fulfilled in light of the following:

- (a) as disclosed in the Second Delay in Despatch and August Monthly Update Announcement, the September Monthly Update Announcement and this announcement, China Jinmao is no longer required to and will not make (or procure to be made on its behalf) the Option Offer and the Convertible Note Offer; as a result, the maximum cash consideration payable under the Scheme will fall below USD300,000,000. China Jinmao has been advised by its legal counsel as to PRC laws that China Jinmao is therefore no longer required to make or obtain any reporting, filing, registration or approval with or by the National Development and Reform Commission with respect to the Proposal;

- (b) in connection with the Proposal, on 12 October 2022, Chance Talent, China VAST, China Jinmao, and certain China VAST Controlling Shareholders have also entered into amendments and waivers for the amendment and waiver of certain provisions of the existing underlying agreements, instruments and documents with respect to the Chance Talent Convertible Notes and the Chance Talent Notes which may not be complied with, or a breach or default of which may be triggered as a result of the implementation of the Proposal, and/or will no longer be applicable after the Scheme becomes effective. Such amendments and waivers will result in, among others, the Security Release. The guarantee obligations in connection with the Chance Talent Convertible Notes and the Chance Talent Notes will also be amended to reflect the respective interests of the China VAST Controlling Shareholders and China Jinmao in China VAST upon completion of the Proposal. For further details, please refer to the announcement issued by China VAST dated 12 October 2022. The amendments will only take effect upon satisfaction or waiver of all of the Conditions; and
- (c) as disclosed in the Rule 3.5 Announcement, in relation to the Pre-Conditions as set out in paragraphs (e) and (f) of the paragraph headed “Pre-Conditions to the Proposal and the Scheme” in the Rule 3.5 Announcement, neither China Jinmao nor China VAST is aware of any such consents, waivers or agreement other than that from Chance Talent in relation to the Chance Talent Convertible Notes and the Chance Talent Notes and those from several financial institutions in relation to a number of facility letters.

As disclosed in the Rule 3.5 Announcement, as neither China Jinmao nor China VAST is aware of any other applicable Authorisations in connection with the Proposal or the Scheme from the relevant Governmental Authorities in the PRC in relation to the Pre-Condition as set out in paragraph (d) of the paragraph headed “Pre-Conditions to the Proposal and the Scheme” in the Rule 3.5 Announcement, the Pre-Condition as set out in paragraph (a) of the paragraph headed “Pre-Conditions to the Proposal and the Scheme” in the Rule 3.5 Announcement with respect to the making or obtaining of reporting, filing, registration or approval, as applicable and to the extent required, with or by the State-owned Assets Supervision and Administration Commission of the State Counsel (SASAC) of the PRC or its delegate on China Jinmao’s acquisition of China VAST Shares under the Proposal, is the only Pre-Condition which remains outstanding as at the date of this announcement, and China Jinmao and China VAST will continue working towards the fulfilment of this outstanding Pre-Condition as soon as possible.

Further announcement(s) will be made by China Jinmao and China VAST to inform the China Jinmao Shareholders, China VAST Shareholders and potential investors on the satisfaction of the outstanding Pre-Condition, of any material developments relating to the Proposal, the Scheme and the Rollover Arrangement, Controlling Shareholder Cancellation Price and Shareholder Arrangements, and upon the despatch of the Scheme Document, in accordance with the Listing Rules and the Takeovers Code (as the case may be) as and when appropriate.

Warning:

China Jinmao Shareholders, China VAST Shareholders and/or potential investors should be aware that the implementation of the Proposal and the Scheme will only become effective after all of the Pre-Conditions and Conditions being satisfied or waived (as applicable) and thus the Proposal and the Scheme may or may not become effective. China Jinmao Shareholders, China VAST Shareholders and/or potential investors should therefore exercise caution when dealing in China Jinmao Shares and/or China VAST Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

By order of the board of directors of
China Jinmao Holdings Group Limited
Li Fanrong
Chairman

By order of the board of directors of
**China VAST Industrial Urban Development
Company Limited**
Song Liuyi
Chairman

Hong Kong, 12 October 2022

As at the date of this announcement, the board of directors of China Jinmao comprises Mr. Li Fanrong (Chairman), Mr. Li Fuli, Mr. An Hongjun, Mr. Cheng Yong and Mr. Liu Pengpeng as non-executive directors, Mr. Li Congrui, Mr. Jiang Nan and Mr. Song Liuyi as executive directors, and Mr. Su Xijia, Mr. Suen Man Tak, Mr. Gao Shibin and Mr. Zhong Wei as independent non-executive directors, who jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the China VAST Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the China VAST Directors in their capacity as China VAST Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the board of directors of China VAST comprises Mr. Song Liuyi (Chairman) as non-executive director, Mr. Wang Jianjun, Mr. Zhao Lei, Mr. Yang Yun, Mr. Wang Yagang and Ms. Wang Wei as executive directors, and Dr. Wong Wing Kuen, Albert, Ms. Hsieh Yafang and Professor Wang Yijiang as independent non-executive directors. The China VAST Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement in relation to the China VAST Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by the China VAST Directors, in their capacity as China VAST Directors, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

In the event of any inconsistency, the English text of this announcement shall prevail over the Chinese text.