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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

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

DESPATCH OF SCHEME DOCUMENT

Financial Adviser to China Jinmao



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

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

INTRODUCTION

References are 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 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 (the “**Rule 3.5 Announcement**”); (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 (as defined below); (iv) the joint announcement issued by China Jinmao and China VAST dated 29 July 2022 in relation to the monthly update on the progress of the Proposal; (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; (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; (vii) the joint announcement issued by China Jinmao and China VAST dated 12 October 2022 in relation to the entering into of an additional irrevocable undertaking with Chance Talent with respect to the Proposal and the fulfilment of certain Pre-Conditions; (viii) the joint announcement issued by China Jinmao and China VAST dated 17 October 2022 in relation to the amendments to the Controlling Shareholder Irrevocable Undertaking and the fulfilment of all of the Pre-Conditions; (ix) the joint announcement issued by China Jinmao and China VAST dated 25 October 2022 in relation to the entering into of an additional irrevocable undertaking with Celestial Ocean Investments Limited with respect to the Proposal; and (x) the scheme document jointly issued by China Jinmao and China VAST dated 31 October 2022 in relation to the Proposal, the Scheme, the Rollover Arrangement, Controlling Shareholder Cancellation Price and Shareholder Arrangements (the “**Scheme Document**”). Unless otherwise defined, capitalised terms used in this joint announcement shall have the same meanings as those defined in Scheme Document.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document, together with notices of the Court Meeting and the China VAST EGM as well as the relevant forms of proxy, will be despatched to the China VAST Shareholders on Monday, 31 October 2022.

The Scheme Document contains, among other things, further details of the Scheme, the Proposal, the Rollover Arrangement, Controlling Shareholder Cancellation Price and Shareholder Arrangements, the expected timetable, the explanatory memorandum of the Scheme as required under the Companies Act, general information regarding the China VAST Group and the China Jinmao Group, the letters from the China VAST Board, the China VAST Independent Board Committee and the China VAST Independent Financial Adviser, the property valuation report and the notices of the Court Meeting and the China VAST EGM.

As set out in the Scheme Document, China Jinmao is no longer required to and will not make (or procure to be made on its behalf):

- (a) the Option Offer (as defined and described in the Announcement) in accordance with Rule 13 of the Takeovers Code, given (i) all 39,750,000 China VAST Options outstanding as at the Announcement Date have lapsed on 31 July 2022 in accordance with the terms of the China VAST Share Option Scheme and the relevant grant letters, and no China VAST Option was outstanding as at the Latest Practicable Date, and (ii) China VAST does not intend to and has confirmed that it will not grant any further China VAST Options between the Latest Practicable Date and the Effective Date; and
- (b) the Convertible Note Offer (as defined and described in the Announcement) in accordance with Rule 13 of the Takeovers Code, given (i) Chance Talent was the only holder of Chance Talent Convertible Notes as at the Latest Practicable Date, and (ii) Chance Talent has agreed after the Announcement Date 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, meaning that the Convertible Note Offer will not be accepted by holder(s) of Chance Talent Convertible Notes even if it is made.

RECOMMENDATIONS OF THE CHINA VAST INDEPENDENT BOARD COMMITTEE AND THE CHINA VAST INDEPENDENT FINANCIAL ADVISER

The China VAST Independent Board Committee, which comprises Dr. Wong Wing Kuen, Albert, Ms. Hsieh Yafang and Professor Wang Yijiang, being all of the non-executive China VAST Directors who are not China Jinmao Concert Parties, has been established by the China VAST Board to make a recommendation to the Disinterested Shareholders and the Independent Shareholders (as the case may be) as to whether the Proposal, the Scheme, the Rollover Arrangement, Controlling Shareholder Cancellation Price and Shareholder Arrangements are, or are not, fair and reasonable and as to voting in respect of the Scheme at the Court Meeting and the Proposal at the China VAST EGM.

Mr. Song Liuyi, a non-executive director of China VAST, is also an executive director of China Jinmao and therefore a China Jinmao Concert Party, and is considered to be interested in the Proposal and does not form part of the China VAST Independent Board Committee for the purpose of giving advice or recommendation to the Disinterested Shareholders and the Independent Shareholders (as the case may be).

The China VAST Board, with the approval of the China VAST Independent Board Committee, has appointed Rainbow Capital (HK) Limited as the China VAST Independent Financial Adviser to advise the China VAST Independent Board Committee in connection with the Scheme, the Proposal, the Rollover Arrangement, Controlling Shareholder Cancellation Price and Shareholder Arrangements pursuant to Rule 2.1 of the Takeovers Code.

The China VAST Independent Financial Adviser has advised the China VAST Independent Board Committee that it considers that the terms of the Proposal, the Scheme, the Rollover Arrangement, Controlling Shareholder Cancellation Price and Shareholder Arrangements are fair and reasonable as far as the Disinterested Shareholders and the Independent Shareholders (as the case may be) are concerned. Accordingly, it advises the China VAST Independent Board Committee to recommend to the Disinterested Shareholders and the Independent Shareholders (as the case may be) to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the China VAST EGM to approve and give effect to the reduction of the share capital and implement the Proposal, the Scheme, the Rollover Arrangement, Controlling Shareholder Cancellation Price and Shareholder Arrangements.

The China VAST Independent Board Committee, having been so advised, considers that the terms of the Proposal, the Scheme, the Rollover Arrangement, Controlling Shareholder Cancellation Price and Shareholder Arrangements are fair and reasonable as far as the Disinterested Shareholders and the Independent Shareholders (as the case may be) are concerned. Accordingly, the China VAST Independent Board Committee recommends the Disinterested Shareholders and the Independent Shareholders (as the case may be) to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the China VAST EGM to approve and give effect to the reduction of the share capital and implement the Proposal, the Scheme, the Rollover Arrangement, Controlling Shareholder Cancellation Price and Shareholder Arrangements.

China VAST Shareholders are urged to read and consider carefully the recommendations of the China VAST Independent Board Committee and the advice of the China VAST Independent Financial Adviser in relation to the Proposal, the Scheme, the Rollover Arrangement, Controlling Shareholder Cancellation Price and Shareholder Arrangements as set out in the letters from the China VAST Independent Board Committee and the China VAST Independent Financial Adviser as contained in the Scheme Document.

COURT MEETING AND CHINA VAST EGM

The Court has directed that the Court Meeting of the Scheme Shareholders be convened for the purpose of considering and, if thought fit, approving, with or without modifications, the Scheme, with Scheme Shareholders who are China Jinmao Concert Parties and Scheme Shareholders who are China VAST Controlling Shareholders as holders of the Controlling Shareholder Scheme Shares abstaining from voting on the Scheme at the Court Meeting.

The Court Meeting and the China VAST EGM are scheduled to be held at 10:00 a.m. and 11:00 a.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting, whichever is later) (Hong Kong time), respectively, on Wednesday, 23 November 2022 at Theatre A, 22/F, United Centre, 95 Queensway, Admiralty, Hong Kong.

As soon as practicable at the time fixed for holding the China VAST EGM or after the conclusion or adjournment of the Court Meeting (whichever is later), the China VAST EGM will be held for the purpose of considering and, if thought fit, passing, among other things, (i) a special resolution of the China VAST Shareholders to approve any reduction of the issued share capital of China VAST by the cancellation and extinguishment of the Scheme Shares; (ii) an ordinary resolution of the China VAST Shareholders to apply the reserve created by the cancellation and extinguishment of the Scheme Shares to contemporaneously restore the issued share capital of China VAST to the amount prior to the cancellation and extinguishment of the Scheme Shares by the allotment and issue to China Jinmao of such number of new China VAST Shares (credited as fully paid at par) as is equal to the number of the Scheme Shares cancelled and extinguished, and (iii) an ordinary resolution of the Independent Shareholders to approve the Rollover Arrangement, Controlling Shareholder Cancellation Price and Shareholder Arrangements.

Notices of the Court Meeting and the China VAST EGM are set out in the Scheme Document and are available on the websites of the Stock Exchange and China VAST.

An announcement will be made by China VAST and China Jinmao in relation to the results of the Court Meeting and the China VAST EGM on Wednesday, 23 November 2022.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the China VAST Shareholders to attend and vote at the China VAST EGM, the register of members of China VAST will be closed from Friday, 18 November 2022 to Wednesday, 23 November 2022 (both days inclusive) and during such period, no transfer of China VAST Shares will be effected. In order to qualify to vote at the Court Meeting and the China VAST EGM, all transfers accompanied by the relevant share certificates must be lodged with China VAST's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. (Hong Kong time) on Thursday, 17 November 2022.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

China Jinmao Shareholders, China VAST Shareholders and/or potential investors should be aware that the implementation of the Proposal is, and the Scheme will only become effective subject to the satisfaction or valid waiver (as applicable) of the Conditions described in the section headed "3. Conditions of the Proposal and the Scheme" in Part VII – Explanatory Memorandum appearing on pages 115 to 118 of the Scheme Document. All of the Conditions will have to be satisfied or validly waived (as applicable) on or before the Conditions Long Stop Date (or such later date as China Jinmao and China VAST may agree or, to the extent applicable, as the Executive may consent to and/or the Court may direct), failing which the Proposal and the Scheme will lapse. When all of the Conditions are satisfied (other than the delivery of the Court Orders for registration) or validly waived (as applicable), the Court Orders sanctioning the Scheme may be delivered to the Registrar of Companies in the Cayman Islands for registration at which point the Scheme will become effective and binding on China VAST and all Scheme Shareholders. Assuming that all of the Conditions are satisfied (or, as applicable, waived in whole or in part), it is expected that the Scheme will become effective on Monday, 5 December 2022 (Cayman Islands time).

China VAST will make an application to the Stock Exchange for the withdrawal of the listing of the China VAST Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, and subject to the Scheme becoming effective, it is expected that the listing of the China VAST Shares on the Stock Exchange will be withdrawn with effect from 4:00 p.m. (Hong Kong time) on Tuesday, 6 December 2022.

EXPECTED TIMETABLE

The expected timetable set out below is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the expected timetable below. Unless otherwise specified, all times and dates refer to Hong Kong local dates and times.

	Hong Kong time (unless otherwise stated)
Date of despatch of the Scheme Document	Monday, 31 October 2022
Latest time for lodging transfers of China VAST Shares in order to become entitled to attend and vote at the Court Meeting and the China VAST EGM.	4:30 p.m. on Thursday, 17 November 2022
Register of members of China VAST closed for determination of entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and of the China VAST Shareholders to attend and vote at the China VAST EGM (<i>Note 1</i>)	from Friday, 18 November 2022 to Wednesday, 23 November 2022 (both days inclusive)
Latest time for lodging forms of proxy in respect of the: (<i>Note 2</i>)	
• Court Meeting.	10:00 a.m. on Monday, 21 November 2022
• China VAST EGM	11:00 a.m. on Monday, 21 November 2022
Meeting Record Date	Wednesday, 23 November 2022
Court Meeting (<i>Note 3</i>)	10:00 a.m. on Wednesday, 23 November 2022

China VAST EGM (<i>Note 3</i>)	11:00 a.m. on Wednesday, 23 November 2022 (or as soon as practicable after the conclusion or adjournment of the Court Meeting, whichever is later)
Announcement of results of the Court Meeting and the China VAST EGM	no later than 7:00 p.m. on Wednesday, 23 November 2022
Expected last day for trading in the China VAST Shares on the Stock Exchange	4:10 p.m. on Friday, 25 November 2022
Latest time for lodging transfers of China VAST Shares in order to qualify for entitlements under the Scheme	4:30 p.m. on Wednesday, 30 November 2022
Register of members of China VAST closed for determining entitlements to qualify under the Scheme (<i>Note 4</i>)	from Thursday, 1 December 2022 onwards
Court hearing of the petition to sanction the Scheme and to confirm the capital reduction	Thursday, 1 December 2022 (Cayman Islands time)
Announcement of the results of the court hearing of the petition to sanction the Scheme and to confirm the capital reduction, the expected Effective Date and the expected date of withdrawal of listing of China VAST Shares on the Stock Exchange	no later than 8:30 a.m. on Friday, 2 December 2022
Scheme Record Date	Monday, 5 December 2022
Effective Date (<i>Note 5</i>)	Monday, 5 December 2022 (Cayman Islands time)
Announcement of the Effective Date and the withdrawal of the listing of the China VAST Shares on the Stock Exchange	no later than 8:30 a.m. on Tuesday, 6 December 2022
Expected withdrawal of the listing of China VAST Shares on the Stock Exchange becomes effective (<i>Note 6</i>)	4:00 p.m. on Tuesday, 6 December 2022
Latest time to despatch cheques for cash payment under the Scheme for the cancellation of the Non-Controlling Shareholder Scheme Shares (<i>Note 7</i>)	on or before Wednesday, 14 December 2022

Notes:

- (1) The register of members of China VAST will be closed during such period for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and of the China VAST Shareholders to attend and vote at China VAST EGM. This book closure period is not for determining entitlements under the Scheme.
- (2) Forms of proxy should be deposited at the Hong Kong branch share registrar of China VAST, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, but in any event no later than the respective times and date(s) stated above. In the case of the PINK form of proxy in respect of the Court Meeting, it may also be handed to the chairman of the Court Meeting at the Court Meeting (who shall have absolute discretion as to whether or not to accept it). The completion and return of a form of proxy for the Court Meeting or the China VAST EGM will not preclude a China VAST Shareholder from attending and voting at the relevant meeting or any adjournment thereof in person. In such event, the relevant form of proxy will be revoked by operation of law.
- (3) The Court Meeting and the China VAST EGM will be held at Theatre A, 22/F, United Centre, 95 Queensway, Admiralty, Hong Kong at the times and date specified above. Please see the notice of Court Meeting set out in Appendix VII to the Scheme Document and the notice of China VAST EGM set out in Appendix VIII to the Scheme Document for details.
- (4) The register of members of China VAST will be closed as from such time and on such date for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme.
- (5) When all of the Conditions set out in the paragraph headed "3. Conditions of the Proposal and the Scheme" in Part VII – Explanatory Memorandum of the Scheme Document (other than the delivery of the Court Orders for registration) have been satisfied or (to the extent permitted) waived (as the case may be), the Court Orders may be delivered to the Registrar of Companies in the Cayman Islands for registration at which point the Scheme will become effective and binding on China VAST and all of the Scheme Shareholders.
- (6) If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the China VAST Shares on the Stock Exchange will be withdrawn at or before 4:00 p.m. on Tuesday, 6 December 2022.
- (7) Cheques for cash payment under the Scheme for the cancellation of the Non-Controlling Shareholder Scheme Shares will be despatched by post within seven (7) Business Days from the Effective Date. The aggregate Controlling Shareholder Cancellation Price payable under the Scheme for the cancellation of the Controlling Shareholder Scheme Shares will be paid in accordance with the Controlling Shareholder Payment Terms as set out in the paragraph headed "6. Irrevocable Undertakings – Controlling Shareholder Irrevocable Undertaking" in Part VII – Explanatory Memorandum of the Scheme Document.
- (8) If a tropical cyclone warning signal No. 8 or above or "extreme conditions" caused by typhoons is or is expected to be hoisted or a black rainstorm warning signal is or is expected to be in force at any time after 8:00 a.m. on the date of the Court Meeting and the China VAST EGM, the Court Meeting and the China VAST EGM will be adjourned in accordance with the articles of association of China VAST. China VAST will post an announcement on the respective websites of the Stock Exchange and China VAST to notify the China VAST Shareholders of the date, time and venue of the adjourned meetings.

WARNING

China Jinmao Shareholders, China VAST Shareholders and/or potential investors should be aware that the implementation of the Scheme and Proposal will only become effective after all of the Conditions being satisfied or validly 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, 31 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.