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新城发展
FUTURE HOLDINGS

Future Land Development Holdings Limited

新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

(1) PLACING OF EXISTING SHARES AND (2) SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE

Global Coordinators, Bookrunners and Placing Agents

Deutsche Bank

citi

Co-Placing Agents

華泰金融控股(香港)有限公司
HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

新城晉峰證券有限公司
FUTURE LAND RESOURCES SECURITIES LIMITED

PLACING AND SUBSCRIPTION

The Board is pleased to announce that on January 18, 2018 (before trading hours), the Company, the Vendor and the Placing Agents entered into the Placing and Subscription Agreement, pursuant to which the Placing Agents have agreed to, severally but not jointly and severally, place as placing agents for the Vendor and to use its best efforts to procure purchasers for up to 267,168,000 existing Shares at a price of HK$5.86 per Share on behalf of the Vendor. The maximum number of Placing Shares represent approximately 4.72% of the existing issued share capital of the Company and approximately 4.51% of the issued share capital of the Company as enlarged by the Subscription.

The Placing Shares will be placed by the Placing Agents to not less than six independent professional, institutional and/or individual investors who are or will be Independent Third Parties. The Placing is conditional on certain customary termination events upon the occurrence of which the Placing will not proceed to completion unless waived by the Placing Agents.

Pursuant to the Subscription, the Vendor has conditionally agreed to subscribe at the Placing Price for the same number of new Shares as the Placing Shares that have been placed by the Placing Agents. The maximum number of Subscription Shares represent approximately 4.72% of the existing issued share capital of the Company as at the date of this announcement and approximately 4.51% of the issued share capital of the Company as enlarged by the Subscription.

Completion of the Subscription is conditional upon:

(1) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares); and

(2) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The Company will apply to the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares. The Subscription Shares will be allotted and issued under the General Mandate.

The Placing and Subscription Agreement may be terminated pursuant to the termination provisions contained therein. In addition, completion of the Subscription is subject to fulfillment of the conditions under the Placing and Subscription Agreement. As the Placing and Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares and other securities of the Company.

PLACING AND SUBSCRIPTION AGREEMENT

Date: January 18, 2018

Parties:

(1) the Company;

(2) Wealth Zone Hong Kong Investments Limited as the vendor. As at the date of this announcement, the Vendor is interested in 4,172,000,000 Shares, representing approximately 73.74% of the existing issued share capital of the Company;

(3) Deutsche Bank AG, Hong Kong Branch, as global coordinator, bookrunner and placing agent;

(4) Citigroup Global Markets Limited, as global coordinator, bookrunner and placing agent;

(5) Huatai Financial Holdings (Hong Kong) Limited, as placing agent; and

(6) Future Land Resources Securities Limited, as placing agent.

As at the date of this announcement, the Vendor is the controlling shareholder of the Company. For details of its shareholding in the Company, please refer to the section headed “Effect on the Shareholding Structure of the Company” below.

To the best of the knowledge, information and belief of Directors having made all reasonable enquiries, Deutsche Bank AG, Hong Kong Branch, Citigroup Global Markets Limited and Huatai Financial Holdings (Hong Kong) Limited are Independent Third Parties. Future Land Resources Securities Limited is a 60% owned indirect subsidiary of the Company and is not a "connected subsidiary" as defined in Rule 14A.16 of the Listing Rules.

PLACING

The Placing Shares

As at the date of this announcement, the Company has in aggregate 5,658,000,000 Shares in issue. The maximum number of Placing Shares represent approximately 4.72% of the existing issued share capital of the Company and approximately 4.51% of the issued share capital as enlarged by the Subscription (assuming there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

The Placing Price

The Placing Price is HK$5.86 per Share and represents:

(i) a discount of approximately 8.86% to the closing price of HK$6.43 per Share as quoted on the Stock Exchange on January 17, 2018, the last trading day prior to the date of the Placing and Subscription Agreement; and

(ii) a discount of approximately 11.48% to the average closing price of approximately HK$6.62 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including January 17, 2018.

The Placing Price was determined after arm's length negotiations among the Company, the Vendor and the Placing Agents, with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price to be fair and reasonable under the current market conditions and is in the best interests of the Company and the Shareholders as a whole.

The costs of the Placing and Subscription shall be borne by the Company (except for the costs and expense of legal and professional advisers and out-of-pocket expenses incurred by the Placing Agents in connection with the Placing and the Subscription).

Rights of the Placing Shares

The Placing Shares will be sold free of all liens, charges and encumbrances, and together with all rights attaching thereto as at the date of the Placing and Subscription Agreement, including the right to receive all dividends or other distributions declared, made or paid on or after the date of the Placing and Subscription Agreement.

Independence of the Placees

It is expected that the Placing Shares will be placed by the Placing Agents to not less than six independent professional, institutional and/or individual investors. It is not expected that any Placee will become a controlling shareholder of the Company as a result of the Placing.

The Placees to be procured by the Placing Agents are or will be Independent Third Parties.

Termination Events

The obligations of the Placing Agents to proceed to completion of the Placing are conditional upon, amongst other conditions, the requirement that none of the following shall have occurred prior to completion:

(a) there develops, occurs or comes into force:

(i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in any relevant jurisdiction which in the opinion of the Placing Agents has or is likely to have a material adverse effect on the financial position of the Company and/or the Group as a whole;

(ii) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the opinion of the Placing Agents is or would be materially adverse to the success of the Placing;

(iii) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole judgement of the Placing Agents is or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith;

(iv) a general moratorium on commercial banking activities in Hong Kong, the PRC, London or New York declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, the United Kingdom or the United States;

(v) a change or development involving a prospective change in taxation which constitutes a material adverse effect on the Group as a whole, the Placing Shares or the transfer thereof;

(vi) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong, the PRC, the United Kingdom or the United States or the declaration by Hong Kong, the PRC, the United Kingdom or the United States of a national emergency or war;

(vii) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing); or

(viii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the New York Stock Exchange or Nasdaq due to exceptional financial circumstances or otherwise at any time prior to the Closing Date;

(b) any breach of any of the representations, warranties and undertakings by the Company and/or the Vendor under the Placing and Subscription Agreement comes to the knowledge of the Placing Agents or any event occurs or any matter arises on or after the date of the Placing and Subscription Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing and Subscription Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect in any respect and any such breach or failure is material or (in the opinion of the Placing Agents) is or would materially and adversely affect the financial position or business of the Company and/or of the Group as a whole or is or would be materially adverse to the success of the Placing, or there has been a breach of, or failure to perform, any other provision of this Agreement on the part of the Vendor and/or the Company; or

(c) there is any such adverse change, or development involving a prospective adverse change, in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Company and/or of the Group as a whole which in the opinion of the Placing Agents is materially adverse to the success of the Placing.

In the event any of the Placing Agents terminates the Placing and Subscription Agreement, all obligations of the parties under the Placing and Subscription Agreement will cease and determine and no party will have any claim against any other party save for any antecedent breach of any obligation under the Placing and Subscription Agreement. **Shareholders and investors are therefore advised to exercise caution when dealing in securities of the Company.**

Completion of the Placing

The parties expect that the Placing will be completed on January 22, 2018 (or such other date as the parties may agree in writing). For the avoidance of doubt, completion of the Placing is not conditional upon completion of the Subscription.

Undertakings

Each of the Company and the Vendor has undertaken to the Placing Agents that, except for the sale of the Placing Shares pursuant to the Placing and Subscription Agreement, for a period of 90 days from the Closing Date, it will not and will procure that none of its ultimate beneficial owners, nominees and companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) without the prior written consent of the Placing Agents (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Subscription Shares) or any interests therein beneficially owned or held by the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

SUBSCRIPTION

New Shares to be subscribed

The number of Subscription Shares shall be equal to the number of Placing Shares actually placed by the Placing Agents under the Placing and Subscription Agreement, being a maximum of 267,168,000 Shares. The maximum number of Subscription Shares represents approximately 4.72% of the existing issued share capital of the Company and approximately 4.51% of the issued share capital of the Company as enlarged by the Subscription.

Subscription Price

The Subscription Price per new Share is equivalent to the Placing Price of HK$5.86 per Share. The maximum number of Subscription Shares have a nominal value of HK$267,168 and a market value of HK$1,717,890,240, based on the closing price of HK$6.43 on January 17, 2018, the last trading day prior to the date of the Placing and Subscription Agreement. The net price of the Subscription is approximately HK$5.79 per Share.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable under the current market conditions and are in the interest of the Company and the Shareholders as a whole.

General mandate to issue the Subscription Shares

The issue of the Subscription Shares will not be subject to Shareholders' approval and the Subscription Shares will be issued under the general mandate granted by the Shareholders to the Directors pursuant to the resolution of the Shareholders passed in the annual general meeting held on May 18, 2017. Pursuant to such mandate, the Directors were granted authority to issue up to 1,131,600,000 Shares, representing 20% of the total number of Shares of the Company in issue as at May 18, 2017. The Company has not issued any Shares pursuant to such general mandate.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank *pari passu* in all respects with the Shares in issue on the completion date of the Subscription including the right to any dividends or distributions after the date of completion of the Subscription.

Conditions of the Subscription

Completion of the Subscription is conditional upon the fulfilment of the following conditions:

(1) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares pursuant to the Placing and Subscription Agreement); and

(2) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

Completion of the Subscription

Completion of the Subscription will take place on the second Business Day following the day on which all the conditions referred to above are satisfied or such other time as the Vendor and the Company may agree in writing, provided that it will take place on a date no later than a date falling 14 days after the date of the Placing and Subscription Agreement (or such other time and/or date as the Vendor and the Company may agree in writing).

If completion of the Subscription does not occur within 14 days after the date of the Placing and Subscription Agreement, or such later date as may be agreed between the Company and the Vendor, the obligations and liabilities of the Vendor and the Company under the Subscription shall be null and void and neither the Company nor the Vendor shall have any claim against the other for costs, damages, compensation or otherwise.

Pursuant to Chapter 14A of the Listing Rules, if the Subscription is not completed within 14 days after the date of the Placing and Subscription Agreement, the Subscription will be regarded as a connected transaction, and in such case, the Company would need to issue a circular and hold an extraordinary general meeting to seek the approval of the independent Shareholders before the Subscription can proceed.

Application for listing

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the new Shares to be issued pursuant to the Subscription.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and immediately after the Placing and Subscription will be as follows:

Shareholder	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	Number of Shares	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*
The Vendor *(Note 1)*	4,172,000,000	73.74	3,904,832,000	69.01	4,172,000,000	70.41
Lv Xiaoping *(Note 2)*	12,000,000	0.21	12,000,000	0.21	12,000,000	0.20
Lu Zhongming *(Note 2)*	5,000,000	0.09	5,000,000	0.09	5,000,000	0.08
Liu Yuanman *(Note 2)*	4,776,000	0.08	4,776,000	0.08	4,776,000	0.08
Chan Wai Kin *(Note 2)*	100,000	0.00	100,000	0.00	100,000	0.00
Wang Xiaosong *(Note 2)*	6,000,000	0.11	6,000,000	0.11	6,000,000	0.10
Placees	–	–	267,168,000	4.72	267,168,000	4.51
Other public Shareholders	1,458,124,000	25.77	1,458,124,000	25.77	1,458,124,000	24.61
Total	5,658,000,000	100.00	5,658,000,000	100.00	5,925,168,000	100.00

Note:

1. The Vendor is a company incorporated in the British Virgin Islands with limited liability, which is beneficially owned by Hua Sheng Trust, a discretionary trust set up by Wang Zhenhua, a controlling shareholder, a Director and the chairman of the Company, in favour of his family members.

2. Each being a Director.

REASONS FOR THE PLACING AND SUBSCRIPTION

The Placing and the Subscription are being undertaken to supplement the Group's long term funding of its expansion and growth plan. The Directors are of the view that the Placing and Subscription will provide an opportunity to raise further capital for the Company whilst broadening its shareholders' base, optimize the capital structure of the Company and provide funding to the Group to meet possible future development and obligations. The Placing and Subscription represents an opportunity for the Company to strengthen its capital base and financial position to better equip itself for the long term business development of the Group without any interest burden, within a relatively shorter time frame and at lower costs when compared with other means of fund raising.

The Board considers the terms of the Placing and Subscription Agreement, which were arrived at after arm's length negotiations among the Company, the Vendor and the Placing Agents, are fair and reasonable and the Placing and the Subscription are in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS OF THE SUBSCRIPTION

Assuming all the Placing Shares are placed under the Placing and the Subscription Agreement, the Company intends to use the estimated net proceeds of the Subscription of approximately HK$1,546 million for the Company's development purposes and as general working capital of the Company.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not carried out any equity capital raising activities during the 12 months immediately preceding the date of this announcement.

GENERAL INFORMATION ON THE GROUP AND THE VENDOR

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

The Vendor is a company incorporated in the British Virgin Islands with limited liability, which is beneficially owned by Hua Sheng Trust, a discretionary trust set up by Wang Zhenhua, a controlling shareholder, an executive Director and the chairman of the Company, in favour of his family members. The principal business of the Vendor is investment holding.

The Placing and Subscription Agreement may be terminated pursuant to the termination provisions contained therein. In addition, completion of the Subscription is subject to fulfillment of the conditions under the Placing and Subscription Agreement. As the Placing and Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

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

"associate"	has the meaning ascribed to it in the Listing Rules;
"Board"	the board of Directors;

"Business Day"	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong;
"Closing Date"	two Business Days after the date when the sale of the Placing Shares shall be reported as a cross-trade to the Stock Exchange, or such other date as the Vendor and the Placing Agents may agree in writing;
"Company"	Future Land Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange;
"controlling shareholder"	has the meaning ascribed to it in the Listing Rules;
"Director(s)"	director(s) of the Company;
"General Mandate"	the general mandate granted to the Directors at the annual general meeting of the Company held on May 18, 2017;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Third Party(ies)"	person(s) who is(are) third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules);
"Listing Committee"	the listing sub-committee of the board of directors of the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Placee(s)"	professional, institutional or other investors whom the Placing Agents have procured to purchase any Placing Shares pursuant to their obligations under the Placing and Subscription Agreement;
"Placing"	the placement of the Placing Shares to the Placee(s) at the Placing Price pursuant to the Placing and Subscription Agreement;
"Placing Agents"	collectively Deutsche Bank AG, Hong Kong Branch, Citigroup Global Markets Limited, Huatai Financial Holdings (Hong Kong) Limited and Future Land Resources Securities Limited;
"Placing and Subscription Agreement"	the placing and subscription agreement dated January 18, 2018 among the Vendor, the Company and the Placing Agents in respect of the Placing and Subscription;
"Placing Price"	the placing price of HK$5.86 per Share;

"Placing Shares"	up to 267,168,000 existing Shares, representing approximately 4.72% of the existing issued share capital of the Company and approximately 4.51% of the issued share capital of the Company as enlarged by the Subscription;
"PRC"	The People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Taiwan and Macau Special Administrative Region;
"RMB"	Renminbi, the lawful currency of the PRC;
"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of HK$0.001 each;
"Shareholder(s)"	the holder(s) of the shares of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Subscription"	the subscription of the Subscription Shares by the Vendor pursuant to the Placing and Subscription Agreement;
"Subscription Price"	the subscription price of HK$5.86 per Share;
"Subscription Shares"	up to 267,168,000 new Shares in aggregate to be subscribed by the Vendor pursuant to the Subscription;
"Vendor"	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 holding 4,172,000,000 Shares (representing approximately 73.74% of the issued shares of the Company as at the date of this announcement); and
"%"	per cent.

* *The English name is a translation of its Chinese name and is included in this announcement for identification purposes only.*

By order of the Board
Future Land Development Holdings Limited
WANG Zhenhua
Chairman

Hong Kong, January 18, 2018

As at the date of this announcement, the Directors are Mr. Wang Zhenhua, Mr. Lv Xiaoping, Mr. Lu Zhongming, Mr. Liu Yuanman and Mr. Chan Wai Kin as executive Directors, Mr. Wang Xiaosong as non-executive Director, and Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei as independent non-executive Directors.