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SHINSUN 祥生

Shinsun Holdings (Group) Co., Ltd.

祥生控股（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 02599)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF 7.3258% INTEREST IN THE PARTNERSHIP**

THE ACQUISITION

On 17 January 2022, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement with the Vendor, under which the Purchaser agreed to acquire and the Vendor agreed to sell, 7.3258% of the interest in the Partnership at the consideration of RMB160,000,000 in cash and the Sale Debt at the consideration of RMB398,868,517.15.

The Partnership is principally engaged in the business of equity investment.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 5% but all are below 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE ACQUISITION

On 17 January 2022, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement in respect of the Acquisition. The salient terms of the Share Transfer Agreement are summarized below:

SHARE TRANSFER AGREEMENT

Dates: 17 January 2022

Parties: (1) the Purchaser (an indirect wholly-owned subsidiary of the Company)
(2) the Vendor

Subject Matter

Pursuant to the terms and conditions of the Share Transfer Agreement, the Vendor has agreed to sell and the Purchaser has agreed to acquire, (i) 7.3258% of the interest in the Partnership at the consideration of RMB160,000,000 in cash; and (ii) the debts owed by Shaoxing Xiangsheng Hongsheng Real Estate Development Co., Ltd.* (紹興祥生弘昇房地產開發有限公司), a company indirectly held as to 99% by the Partnership and 1% by the Purchaser, to the Vendor of the principal amount of RMB398,868,517.15 at the consideration of RMB398,868,517.15.

Consideration

The total consideration is RMB558,868,517.15, which comprise (i) RMB160,000,000 for the 7.3258% of the interest in the Partnership; and (ii) RMB398,868,517.15 for the Sale Debt.

The total consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among others, (i) the total paid-up capital contribution in the Partnership by the Vendor being RMB160,000,000; (ii) the 7.3258% of the interest in the Partnership held by the Vendor to be acquired by the Purchaser; and (iii) the cash amount of the Sale Debt on a dollar-to-dollar basis. The consideration of the Acquisition will be financed by the internal resources of the Group.

The Directors (including the independent non-executive Directors) consider the consideration of the Acquisition to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Completion

Completion of the Share Transfer Agreement shall take place on the date on which (i) the 7.3258% interest in the Partnership has been transferred by the Vendor to the Purchaser; (ii) the industrial and commercial registration of such interest transfer has been completed; (iii) the right of Sale Debt has been assigned to the Purchaser; and (iv) settlement of the total consideration of RMB558,868,517.15 by the Purchaser to the Vendor.

INFORMATION ON THE PARTNERSHIP

The Partnership is established in the PRC and is principally engaged in the business of equity investment. As at the date of this announcement, the Partnership is held as to 64.1006% by Hangzhou Huishi Investment Management Partnership (limited Partnership)* (the “**Huishi Investment**”) (杭州匯石投資管理合夥企業(有限合夥)), 28.5706% by the Purchaser, 7.3258% by the Vendor, and 0.0031% by Hangzhou Jinyao Asset Management Co., Ltd.* (the “**Jinyao Asset**”) (杭州錦垚資產管理有限公司).

Huishi Investment is held as to 99.9980% by Hangzhou Financial Investment Co., Ltd.* (杭州市金融投資集團有限公司), which is in turn wholly owned by the government of Zhejiang Province, and as to 0.0020% by Jinyao Asset.

Jinyao Asset is owned through and by layers of companies, partnership or individuals who are Independent Third Parties.

The principal asset of the Partnership is a plot of land for residential use project development (the “**Project**”) with an area of 106,509 square meters located in Donghu Town, Yuecheng District, Shaoxing City, Zhejiang Province, indirectly held by the Partnership through Shaoxing Xiangsheng Hongsheng Real Estate Development Co., Ltd.* (紹興祥生弘昇房地產開發有限公司). As at the date of this announcement, the project for the land is yet to commence development.

Shaoxing Xiangsheng Hongsheng Real Estate Development Co., Ltd.* (紹興祥生弘昇房地產開發有限公司), is a company principally engaged in the business of property development and as at the date of this announcement it is indirectly owned as to 99% by the Partnership and 1% by the Purchaser.

Set out below is a summary of the unaudited consolidated financial information of the Partnership (as prepared in accordance with the PRC accounting standards) for the two years ended 31 December 2020 and 2021:

	For the year ended and as at 31 December 2021 RMB (unaudited)	For the year ended and as at 31 December 2020 RMB (unaudited)
Revenue	0	0
Profit/(Loss) before tax	130,728,045.0	(276.5)
Profit/(Loss) after tax	130,728,045.0	(276.5)
Total assets	2,180,506,472.0	21,842.4
Net asset value	2,176,524,702.0	23,012.4

INFORMATION ON THE COMPANY, THE VENDOR AND THE PURCHASER

The Company is an investment holding company and its subsidiaries are principally engaged in developing and selling properties in cities in Zhejiang Province and other cities in the Pan-Yangtze River Delta Region in the PRC.

The Purchase is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the business of enterprise management consulting, marketing planning, and related services.

The Vendor is a company established in the PRC with limited liability and is principally engaged in the property development and property management. It is indirectly wholly owned by the government of Zhejiang province.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR THE ACQUISITION

The Group is a comprehensive real estate developer in the PRC focusing on the development of quality residential properties in select regions in the PRC.

Through the Acquisition, the Company can indirectly increase its interests in the Partnership. It will allow the Company to achieve greater economic benefits and better control over the development of the Project, as well as optimize returns and benefit from the future growth of the Project so as to bring more returns to Shareholders.

In view of the above, the Board (including all independent non-executive Directors) consider that the terms and conditions of the Share Transfer Agreement are on normal commercial terms, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 5% but all are below 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set forth below unless the context requires otherwise:

“Acquisition”	the acquisition of 7.3258% interest of the Partnership and the Sale Debt
“associate(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Shinsun Holdings (Group) Co., Ltd., a company incorporated in the Cayman Islands as an exempted company with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	shall have the meaning as ascribed to it under the Listing Rules
“controlling shareholders”	shall have the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Share Transfer Agreement”	the share transfer agreement dated 17 January 2022 between the Vendor and the Purchaser
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Partnership”	Hangzhou Didang Investment Management Partnership (Limited Partnership)* (杭州迪蕩投資管理合夥企業(有限合夥)), a partnership established in the PRC
“PRC”	the People’s Republic of China
“Purchaser”	Hangzhou Dongyu Enterprise Management Co., Ltd.* (杭州東鈺企業管理有限公司), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Debt”	the debt owed by the Shaoxing Xiangsheng Hongsheng Real Estate Development Co., Ltd.* (紹興祥生弘昇房地產開發有限公司) to the Vendor in the principal amount of RMB398,868,517.15
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) with nominal value of US\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	shall have the meaning as ascribed to it under the Listing Rules
“substantial shareholder”	shall have the meaning as ascribed to it under the Listing Rules
“Vendor”	Zhelvzhanjing Real Estate Co., Ltd.* (浙旅湛景置業有限公司), a company established in the PRC with limited liability
“%”	per cent.

By Order of the Board
Shinsun Holdings (Group) Co., Ltd.
Chen Guoxiang
Chairman

Hong Kong, 17 January 2022

As at the date of this announcement, the Board comprises Mr. Chen Guoxiang, Mr. Chen Hongni, Mr. Han Bo and Mr. Zhao Leiya as executive Directors; and Mr. Wong Kon Man Jason, Mr. Ding Jiangang and Mr. Ma Hongman as independent non-executive Directors.

* for identification purpose only