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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
DISPOSAL OF 51% EQUITY INTEREST IN THE TARGET COMPANY**

THE DISPOSAL

On 17 January 2022, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Purchaser, under which the Purchaser agreed to acquire and the Vendor agreed to sell, 51% equity interest in the Target Company at a consideration of RMB487,036,040.11 in cash.

The Target Company is principally engaged in the business of enterprise management consulting, marketing planning, and related services.

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 Disposal exceeds 5% but all are below 25%, the Disposal 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 DISPOSAL

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

EQUITY TRANSFER AGREEMENT

Dates: 17 January 2022

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

Subject Matter

Pursuant to the terms and conditions of the Equity Transfer Agreement, the Vendor has agreed to sell and the Purchaser has agreed to acquire, 51% of the equity interest in the Target Company at the total consideration of RMB487,036,040.11 in cash.

Consideration

The total consideration of RMB487,036,040.11 was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among others, (i) the Vendor's total investment amount in the Target Company, being RMB487,036,040.11; (ii) the net asset of the Target Company as at 31 December 2021, being RMB813,755,208.92; and (iii) the 51% of equity interest in the Target Company held by the Vendor to be disposed of.

The Directors (including the independent non-executive Directors) consider the consideration of the Disposal 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 Equity Transfer Agreement shall take place on the date on which (i) the 51% equity interest in the Target Company has been transferred by the Vendor to the Purchaser; (ii) the industrial and commercial registration of such equity transfer has been completed; and (iii) settlement of the total consideration by the Purchaser to the Vendor.

Upon completion of the Disposal, the Target Company will cease to be a subsidiary of the Company.

FINANCIAL EFFECT OF THE DISPOSAL

As the consideration for the Disposal equals to the book value of the 51% equity interest in the Target Company as at the date of recording such asset, the Company does not expect to record any gain or loss upon the completion of the Disposal.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability and is principally engaged in the business of enterprise management consulting, marketing planning, and related services. The principal asset of the Target Company is a plot of land for residential use with an area of 96,162 square meters, located in Xihu district, Hangzhou City, Zhejiang province, the PRC, which is intended for residential development. As at the date of this announcement, the project for the land is yet to commence development.

As at the date of this announcement, the Target Company is held as to 51% by the Vendor and 49% by Hangzhou Xiangguang Information Technology Partnership (Limited Partnership)* (杭州祥光信息技術合夥企業(有限合夥)). Hangzhou Xiangguang Information Technology Partnership (Limited Partnership)* (杭州祥光信息技術合夥企業(有限合夥)) is held as to 66.6445% by Guangda Xinglong Trust Investment Co., Ltd.* (光大興隴信託有限責任公司), 33.3222% by Shinsun Property Group Co., Ltd.* (祥生地產集團有限公司), an indirect wholly owned subsidiary of the Company, 0.0333% by Hangzhou Jisheng Enterprise Management Consulting Co., Ltd.* (杭州暨盛企業管理諮詢有限公司), an indirect wholly owned subsidiary of the Company. Guangda Xinglong Trust Investment Co., Ltd.* (光大興隴信託有限責任公司) is an Independent Third Party.

Set out below is a summary of the unaudited consolidated financial information of the Target Company (as prepared in accordance with the PRC accounting standards) for the 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	(45,411,053.5)	0
Profit/(Loss) after tax	(34,132,791.08)	0
Total assets	2,161,389,232.75	0
Net asset value	813,755,208.92	0

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 Vendor 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 Purchaser 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 Purchaser and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

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.

Since the project of the Target Company is yet to start construction and may need longer time before it starts to generate cashflow, the Disposal offers an opportunity for the Group to realise its investments, thereby improving the liquidity of the Group. The Company also expects that the Disposal will improve the Group's asset turnover rate and generate additional cash inflow for general working capital.

It is expected that the proceeds from the Disposal will be used by the Group as general working capital of the Group.

In view of the above, the Board (including all independent non-executive Directors) consider that the terms and conditions of the Equity 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 Disposal exceeds 5% but all are below 25%, the Disposal 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:

“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

“Disposal”	the disposal of 51% equity interest in the Target Company by the Vendor pursuant to the terms and conditions of the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity 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
“PRC”	the People’s Republic of China
“Purchaser”	Zhelvzhanjing Real Estate Co., Ltd.* (浙旅湛景置業有限公司), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“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
“Target Company”	Hangzhou Bintuo Enterprise Management Co., Ltd.* (杭州濱拓企業管理有限公司), a company established in the PRC with limited liability

“Vendor”

Hangzhou Binwang Enterprise Management Consulting Co., Ltd.*
(杭州濱旺企業管理諮詢有限公司), 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 Leiyi 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*