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Sunshine 100 China Holdings Ltd

陽光100中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2608)

DISCLOSEABLE AND CONNECTED TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

BACKGROUND

Reference is made to the announcement of the Company dated 14 April 2019 and the circular of the Company dated 13 June 2019 in relation to the disposal of all issued share capital in Eminent Star Group Limited (卓星集團有限公司) (the “**Disposal**”) by Chang Jia, a subsidiary of the Company, to Victor Select Limited (凱擇有限公司) for a total consideration of RMB4,661,241,775.98 (subject to adjustment). As at the date of this announcement, the first completion of the Disposal has taken place and Chang Jia received RMB1,100,000,000 of the total consideration (the “**Deposit**”).

PROVISION OF FINANCIAL ASSISTANCE

On 1 September 2019, Chang Jia entered into the Agreement with its shareholders, being Keyasia (a wholly-owned subsidiary of the Company) (as to 55%), Shiny New (as to 24%) and Shan Ying (as to 21%), to record that Chang Jia had directed that the Deposit be safe-kept by Keyasia, Shiny New and Shan Ying in proportion to their respective shareholding interest in Chang Jia.

Shiny New and Shan Ying are ultimately beneficially owned by Luen Thai, and they are connected persons of the Company at the subsidiary level. The Deposit had been paid to the shareholders of Chang Jia for safe-keeping as Chang Jia was in the process of opening a bank account in Hong Kong. The portion of the Deposit received and safe-kept by Shiny New and Shan Ying is RMB495,000,000 (being 45% of the Deposit). The Agreement is in fact a transitional measure to enable Chang Jia to be paid under the Equity and Loan Acquisition Agreement. Pursuant to the Agreement, the parties agree that if Chang Jia is required to pay tax in relation to the Disposal, the shareholders will apply the Deposit towards the payment thereof, and the shareholders will return the Deposit, or the balance of the Deposit if tax payment has been made for and on behalf of Chang Jia, to Chang Jia once Chang Jia has successfully opened its own bank account.

LISTING RULES IMPLICATION

For the purposes of the Listing Rules, such portion of the Deposit received and safe-kept by Shiny New and Shan Ying is considered to be financial assistance from the Group to its connected person at the subsidiary level.

As one or more of the relevant percentage ratios (as defined under the Listing Rules) with respect to the provision of financial assistance to Shiny New and Shan Ying under the Agreement are more than 5% but less than 25%, it constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules. In addition, it also constitutes a connected financial assistance of the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules since Shiny New and Shan Ying are connected persons only at the subsidiary level and the provision of financial assistance to Shiny New and Shan Ying under the Agreement has been approved by the Board and all the independent non-executive Directors have confirmed that the terms of the Agreement is fair and reasonable, on normal commercial terms or better and in the interests of the Company and Shareholders as a whole.

INTRODUCTION

Reference is made to the announcement of the Company dated 14 April 2019 and the circular of the Company dated 13 June 2019 in relation to the disposal of all issued share capital in Eminent Star Group Limited (卓星集團有限公司) (the “**Disposal**”) by Chang Jia, a subsidiary of the Company, to Victor Select Limited (凱擇有限公司) for a total consideration of RMB4,661,241,775.98 (subject to adjustment). As at the date of this announcement, the first completion of the Disposal has taken place and Chang Jia received RMB1,100,000,000 of the total consideration (the “**Deposit**”).

On 1 September 2019, Chang Jia entered into the Agreement with its shareholders, being Keyasia (a wholly-owned subsidiary of the Company (as to 55%), Shiny New (as to 24%) and Shan Ying (as to 21%), to record that Chang Jia had directed that the Deposit be safe-kept by Keyasia, Shiny New and Shan Ying in proportion to their respective shareholding interest in Chang Jia.

Shiny New and Shan Ying are ultimately beneficially owned by Luen Thai, and they are connected persons of the Company at the subsidiary level. The Deposit had been paid to the shareholders of Chang Jia for safe-keeping as Chang Jia was in the process of opening a bank account in Hong Kong. The portion of the Deposit received and safe-kept by Shiny New and Shan Ying is RMB495,000,000 (being 45% of the Deposit). The Agreement is in fact a transitional measure to enable Chang Jia to be paid under the Equity and Loan Acquisition Agreement. Pursuant to the Agreement, the parties agree that if Chang Jia is required to pay tax in relation to the Disposal, the shareholders will apply the Deposit towards the payment thereof, and the shareholders will return the Deposit, or the balance of the Deposit if tax payment has been made for and on behalf of Chang Jia, to Chang Jia once Chang Jia has successfully opened its own bank account.

Details of the Agreement are set out below:

THE AGREEMENT

Date: 1 September 2019

Parties: Keyasia, Shiny New, Shan Ying and Chang Jia

Safe-keep amount: RMB1,100,000,000, being the Deposit

Consideration

Pursuant to the Agreement, Keyasia, Shiny New and Shan Ying shall safe-keep the Deposit and assist to make payments such as tax payable under the Equity and Loan Acquisition Agreement, for and on behalf of the Company, as and when requested by Chang Jia. Any such amount paid by Keyasia, Shiny New and Shan Ying shall be set off against the Deposit. Keyasia, Shiny New and Shan Ying shall return the Deposit, or the balance of the Deposit if tax payment has been made for and on behalf of Chang Jia, to Chang Jia once Chang Jia has successfully opened its own bank account.

Keyasia, Shiny New and Shan Ying will not pay any interest to Chang Jia for the “loan” as it is intended to be a temporary arrangement to enable Chang Jia to be paid under the Equity and Loan Acquisition Agreement. As Chang Jia does not have a bank account to receive the Deposit, the Agreement facilitates the receipt of money by Keyasia, Shiny New and Shan Ying and is considered to be in the best interest of Chang Jia and its shareholders and hence, no interest is payable.

In addition, Keyasia, Shiny New and Shan Ying will not receive a fee from Chang Jia for safe-keeping of the Deposit.

INFORMATION ON THE PARTIES

The Company

The Company is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange. The principal business of the Company is investment holding. The Group is principally engaged in property and land development, property investment and property management and hotel operation in China. It holds 55% interest in Chang Jia through Keyasia.

Chang Jia

Chang Jia is a company incorporated in the British Virgin Islands with limited liability and is held as to 55% by Keyasia (which is wholly-owned by the Company), 24% by Shiny New and 21% by Shan Ying. Its principal business is investment holding.

Shiny New, Shan Ying and Luen Thai

Shiny New and Shan Ying are investment holding companies which are ultimately owned by Luen Thai, which is a company incorporated in the British Virgin Islands with limited liability. Luen Thai's principal business is investment holding. Shiny New and Shan Ying together hold 45% interest in Chang Jia and are connected persons of the Company at the subsidiary level.

REASONS FOR PROVIDING THE FINANCIAL ASSISTANCE

Pursuant to the terms of the Disposal, Chang Jia should receive RMB1,100,000,000 as deposit upon the completion of the preconditions for further deposit payment of the Disposal. Chang Jia is unable to receive the Deposit as it does not have any existing bank account. As such, Chang Jia had requested that the Deposit be received and safe-kept by its shareholders, being Keyasia, Shiny New and Shan Ying, in proportion to their respective shareholding interest in Chang Jia.

Chang Jia is in the process of opening a bank account in Hong Kong in order to receive the balance of the total consideration of the Disposal. As Chang Jia does not have a bank account to receive the Deposit, the Agreement facilitates the receipt of money by Chang Jia through directing payment to its shareholders, being Keyasia, Shiny New and Shan Ying, and is considered to be in the best interest of Chang Jia and its shareholders and hence, no interest is payable.

The Directors consider the Agreement is entered into on normal commercial terms or better, and that such terms and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

For the purposes of the Listing Rules, such portion of the Deposit received and safe-kept by Shiny New and Shan Ying is considered to be financial assistance from the Group to its connected person at the subsidiary level.

As one or more of the relevant percentage ratios (as defined under the Listing Rules) with respect to the provision of financial assistance to Shiny New and Shan Ying under the Agreement are more than 5% but less than 25%, it constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules. In addition, it also constitutes a connected financial assistance of the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules since Shiny New and Shan Ying are connected persons only at the subsidiary level and the provision of financial assistance to Shiny New and Shan Ying under the Agreement has been approved by the Board and all the independent non-executive Directors have confirmed that the terms of the Agreement is fair and reasonable, on normal commercial terms or better and in the interests of the Company and Shareholders as a whole.

DEFINITIONS

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

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| “Agreement” | the Agreement entered into among Chang Jia and its shareholders, being Keyasia, Shiny New and Shan Ying, on 1 September 2019 in relation to the temporary safe-keeping and distribution of the Deposit |
| “Board” | the board of directors of the Company |
| “Chang Jia” | Chang Jia International Limited (長佳國際有限公司), a company incorporated in the British Virgin Islands with limited liability, which is owned as to 55% by Keyasia, 24% by Shiny New and 21% by Shan Ying |
| “Company” | Sunshine 100 China Holdings Ltd (陽光100中國控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange |

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| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Deposit” | RMB1,100,000,000, being the amount of deposit under the Disposal |
| “Director(s)” | the director(s) of the Company |
| “Disposal” | the disposal of the all issued share capital in Eminent Star Group Limited (卓星集團有限公司) by Chang Jia to Victor Select Limited (凱擇有限公司) and the assignment of the loans by the Company and certain subsidiaries/affiliates of the Company (including Chang Jia) to Victor Select Limited (凱擇有限公司) pursuant to the Equity and Loan Acquisition Agreement |
| “Equity and Loan Acquisition Agreement” | the Equity and Loan Acquisition Agreement dated 13 April 2019 and entered into, amongst others, Chang Jia, Victor Select Limited (凱擇有限公司) and Eminent Star Group Limited (卓星集團有限公司) in relation to, among other things, the Disposal |
| “Group” | the Company and its subsidiaries |
| “Keyasia” | Keyasia Investments Limited(基亞投資有限公司), a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Luen Thai” | Luen Thai Land Limited (聯泰地產有限公司), a company incorporated in the British Virgin Islands with limited liability, holding 45% of Chang Jia through Shiny New and Shan Ying, and a connected person of the Company at the subsidiary level |
| “PRC” or “China” | the People’s Republic of China which, for the purposes of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |

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| “Shan Ying” | Shan Ying Limited(善盈有限公司), a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of Luen Thai and a connected person of the Company at the subsidiary level |
| “Shareholders” | shareholders of the Company |
| “Shiny New” | Shiny New Limited(耀新有限公司), a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of Luen Thai and a connected person of the Company at the subsidiary level |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary(ies)” | has the meaning ascribed to it under the Listing Rules |

By Order of the Board
Sunshine 100 China Holdings Ltd
Yi Xiaodi
Chairman and Executive Director

Beijing, the PRC
1 September 2019

As at the date of this announcement, the executive directors of the Company are Mr. Yi Xiaodi and Mr. Fan Xiaochong, the non-executive directors of the Company are Ms. Fan Xiaohua and Mr. Wang Gongquan, and the independent non-executive directors of the Company are Mr. Gu Yunchang, Mr. Ng Fook Ai, Victor and Mr. Wang Bo.