

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**FULLSUN INTERNATIONAL HOLDINGS GROUP CO., LIMITED**

**福晟國際控股集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00627)**

**CONNECTED TRANSACTION  
ACQUISITION OF 100% EQUITY INTEREST IN  
THE TARGET COMPANY AND SHAREHOLDER'S LOAN**

**THE EQUITY TRANSFER AGREEMENT**

On 20 September 2019 (after the trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Target Equity Interest and the Shareholder's Loan at the Consideration of RMB150 million.

**IMPLICATIONS UNDER THE LISTING RULES**

The Vendor is an indirect 88% owned subsidiary of Fusheng Group which is owned as to 90% by Mr. Pan and as to 10% by Ms. Chen, both of whom have been executive Directors within 12 months before the date of the Equity Transfer Agreement. Therefore, the Vendor is a close associate of Mr. Pan and a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.76 of the Listing Rules, as all the applicable percentage ratios exceed 0.1% but are less than 5%, the transactions contemplated under the Equity Transfer Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **THE EQUITY TRANSFER AGREEMENT**

On 20 September 2019 (after the trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendor, the principal terms of which are set out below:

### **Date**

20 September 2019

### **Parties**

- (1) Guangzhou Fusheng Real Estate Co., Ltd.\* (廣州福晟置業有限公司) as the Vendor;
- (2) Zhuo Hong (Fujian) Building Materials Trading Co., Ltd.\* (卓弘(福建)建材貿易有限公司) as the Purchaser; and
- (3) Zhongshan Zhengpei Electronic Technology Co., Ltd.\* (中山市正培電子科技有限公司) as the Target Company.

### **Subject matters**

Pursuant to the Equity Transfer Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Target Equity Interest and the Shareholder's Loan at the Consideration of RMB150 million.

As at the date of this announcement, the equity interest in the Target Company is registered as to 70% in the name of the Vendor and 30% in aggregate in the names of the Minority Shareholders respectively. Pursuant to the terms and conditions of the Equity Transfer Agreement, the Vendor is obliged to acquire the 30% equity interest in the Target Company from the Minority Shareholders and to transfer such equity interest to the Purchaser. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Minority Shareholders is independent of the Company and its connected persons.

As at the date of the Equity Transfer Agreement, the Shareholder's Loan in the total amount of approximately RMB109,534,000 is owed by the Target Company to the Vendor. The Shareholder's Loan is unsecured, interest-free and with no fixed term of repayment. As at the date of this announcement, no shareholder's loan is owed by the Target Company to the Minority Shareholders.

Further particulars of the Target Company are set out in the section headed "Information relating to the Target Company and the Project" below.

## **Consideration and payment terms**

The Consideration is RMB150 million, of which an amount equal to the Shareholder's Loan is for the Shareholder's Loan and the remainder is for the Target Equity Interest. The Consideration is payable in the following manner:

- (1) The Consideration shall be paid in cash by the Purchaser to the Vendor within 5 business days from the date of the Equity Transfer Agreement. Within 10 business days from the payment of such sum, the Vendor shall transfer to the Purchaser 70% equity interest in the Target Company owned by it and assign the Shareholder's Loan to the Purchaser; and
- (2) Within 40 business days from the date of the payment of the Consideration, the Vendor shall transfer to the Purchaser the remaining 30% equity interest in the Target Company.

The Consideration will be financed by the Group's internal resources.

The Consideration was determined upon arm's length negotiation between the parties, taking into account, among others, (i) the location, the current development status (as disclosed in item (iii) of the section headed "Conditions precedent" in this announcement) and the prospect of the Project; (ii) the synergistic effect that can be created among the Group and the Target Company; and (iii) the valuation of the Project as indicated by an independent valuer as at 31 July 2019 of approximately RMB245,000,000.

## **Conditions precedent**

Completion is conditional upon and subject to, among others, the following conditions:

- (i) *with respect to the equity interest of the Target Company*
  - from the date of the Equity Transfer Agreement up to Completion, without the written consent of the Purchaser, there shall be no change in the Target Equity Interest held by the Vendor and no encumbrances shall be created over the Target Equity Interest;
  - no third party shall have made to, or brought against, the Vendor (a) any query involving, or any claim for compensation or other economic remedies in relation to the Acquisition; or (b) any consequences of which may impede or delay the Acquisition or may lead to the Acquisition becoming illegal or may in any other way affect the Acquisition from any proceedings;
  - the Vendor shall have fully performed and complied with its obligations, duties, agreements and covenants under the Equity Transfer Agreement that shall have been performed and complied with before or at Completion;

*(ii) with respect to the Target Company*

- since the establishment of the Target Company up to Completion, it has been operating legally, no violation of laws and regulations has occurred, and there has been no undisclosed administrative penalties, breach of criminal law or legal proceedings;
- other than the indebtedness disclosed in the Equity Transfer Agreement, no encumbrances exist over the assets of the Target Company;
- save for the contracts and documents already disclosed to the Purchaser, there is no contracts, agreements or arrangements to which the Target Company is a party and is bound, no notice, complaint, claim or legal proceedings in relation to breaching any of such contracts, agreements or arrangements has been received, and no facts, circumstances or impediments has occurred or exists which may lead to the Target Company becoming unable at present or in the future to conduct its business operations legally;
- up to the date of Completion, all licences, approvals and consents for the Target Company and/or the Project shall have remained valid and in full force and effect and no circumstances or events shall have occurred or exist that may result in the revocation and/or cancellation of such licences, approvals and consents;
- from the date of the Equity Transfer Agreement up to Completion, there shall be no material adverse change in respect of the Target Company;
- the Target Company shall have fully performed and complied with its obligations, duties, agreements and covenants under the Equity Transfer Agreement that shall have been performed and complied with before or at Completion;

*(iii) with respect to the Project*

- the Project as a whole has commenced and the pre-sale approvals have been obtained, the corresponding to a site area of 16,666.68 m<sup>2</sup> and a total construction area of approximately 26,000 m<sup>2</sup>;
- all the materials and information, including the project construction information, technical documentation, floor plans, administrative and financial information in relation to the Project as required by the Purchaser are complete; and

*(iv) with respect to the Listing Rules*

- (where applicable) the Company shall have obtained the approval of the shareholders of the Company for the Equity Transfer Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules.

The Purchaser shall have the right to waive any of the above Conditions (other than that under paragraph (iv) above). If any of the Conditions has not been fulfilled (unless waived by the Purchaser), the Purchaser shall have the right to terminate the Equity Transfer Agreement and seek damages from the Vendor.

If as at Completion any of the Conditions has not been fulfilled (or, where applicable, waived), the Purchaser shall have the right to require the Vendor to continue to procure such Conditions to be fulfilled, failing which the Vendor shall be treated as having breached the Equity Transfer Agreement.

If the Condition under paragraph (iv) above has not been fulfilled, the Vendor shall return the Consideration (to the extent already paid by the Purchaser) within 7 business days upon demand from the Purchaser.

### **Completion**

The date of Completion shall fall on the date on which the Shareholder's Loan has been assigned to the Purchaser and the registration in respect of the transfer of the Target Equity Interest to the Purchaser with the relevant Administration of Industry and Commerce Bureau has been completed.

Upon Completion, under the accounting policy of the Group, the Target Company will be wholly owned by the Purchaser and become a subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

### **Information relating to the Target Company and the Project**

The Target Company was established in the PRC in May 2013 and is principally engaged in property development in Guangdong Province, the PRC. As at the date of this announcement, the equity interest in the Target Company is registered as to 70% in the name of the Vendor and 30% in aggregate in the names of the Minority Shareholders respectively.

As at the date of this announcement, the principal assets of the Target Company is the Project which is a property project under development located beside Zhongshan Port, Zhongshan Torch Development Zone\* (中山市火炬開發區), Zhongshan City, Guangdong Province, the PRC. The Project is planned for residential and commercial purpose.

The financial information of the Target Company for the two financial years ended 31 December 2018 according to its management accounts is set out below:

	<b>For the year ended 31 December</b>	
	<b>2017</b>	<b>2018</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Loss before tax	2,120	2,906
Loss after tax	2,120	2,906

As at the date of this announcement, the Target Company owns the Project and the book value of the Project as at 31 July 2019 was approximately RMB77,866,000 according to its management accounts.

As at 31 July 2019, the unaudited net liabilities of the Target Company amounted to approximately RMB72,871,000.

The total cost (the “**Cost**”) of the Target Equity Interest and the Shareholder’s Loan to the Vendor amounts to RMB148,034,000. The Directors considers that the Cost is not directly related to the determination of the Consideration.

## **Information on the Vendor**

The Vendor is a company established in the PRC with limited liability and principally engaged in investment holding.

## **Reasons and benefits of entering into the Equity Transfer Agreement**

The Company is an investment holding company and the Group is principally engaged in the development and sale of properties and property investment in the PRC including Hong Kong. The Purchaser was established in the PRC with limited liability and is principally engaged in investment holding.

The Board believes that the Acquisition will provide an opportunity to expand the property development portfolio of the Group into the Guangdong-Hong Kong-Macao Greater Bay Area. The Project is located in a prime location in Zhongshan City, close to the transport hubs of Zhongshan Port Avenue (中山港大道) and the Shenzhen-Zhongdao Corridor (深中通道) which enables the Project to fall within the one-hour living circle in the Guangdong-Hong Kong-Macao Greater Bay Area. The Group intends to continue to develop the Project after Completion. The pre-sale of certain portion of the Project has been commenced and the construction of the Project is expected to complete in 2019 in stages. The Acquisition will enable the Group to generate income and provide capital appreciation potential to the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement are fair and reasonable and the Equity Transfer Agreement and the transactions contemplated thereunder (including the Acquisition) are on normal commercial terms or better but not in the ordinary and usual course of business of the Group and are in the interests of the Company and the shareholders of the Company as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

The Vendor is an indirect 88% owned subsidiary of Fusheng Group which is owned as to 90% by Mr. Pan and as to 10% by Ms. Chen, both of whom have been executive Directors within 12 months before the date of the Equity Transfer Agreement. Therefore, the Vendor is a close associate of Mr. Pan and a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.76 of the Listing Rules, as all the applicable percentage ratios exceed 0.1% but are less than 5%, the transactions contemplated under the Equity Transfer Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Pan Haoran, Mr. Pan Jungang and Ms. Wu Jihong, who are executive Directors, are considered to have a material interest in the Equity Transfer Agreement and the transactions contemplated thereunder, Mr. Pan Haoran, Mr. Pan Jungang and Ms. Wu Jihong abstained from voting at the Board meeting at which the Equity Transfer Agreement and the transactions contemplated thereunder were approved.

## DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Target Equity Interest and the Shareholder’s Loan by the Purchaser from the Vendor
“Board”	the board of Directors
“close associate”	has the meaning ascribed to it under the Listing Rules
“Company”	Fullsun International Holdings Group Co., Limited (福晟國際控股集團有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Equity Transfer Agreement in accordance with its terms
“Condition(s)”	the conditions precedent to the Equity Transfer Agreement, details of which are set out in the paragraph headed “Conditions precedent” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration in the sum of RMB150 million payable by the Purchaser to the Vendor in relation to the Acquisition
“Directors”	the directors of the Company



“Equity Transfer Agreement”	the equity transfer agreement dated 20 September 2019 entered into between the Vendor as vendor, the Purchaser as purchaser and the Target Company in relation to the Acquisition
“Fusheng Group”	Fusheng Group Co., Ltd.* (福晟集團有限公司), a company established in the PRC with limited liability and owned as to 90% by Mr. Pan and as to 10% by Ms. Chen
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Minority Shareholders”	two individuals in the PRC who as at the date of this announcement owns 29.7% and 0.3% of the equity interest in the Target Company respectively
“Mr. Pan”	Mr. Pan Weiming (潘偉明先生), who has been the chairman of the Board and an executive Director within 12 months before the date of the Equity Transfer Agreement
“Ms. Chen”	Ms. Chen Weihong (陳偉紅女士), who has been an executive Director within 12 months before the date of the Equity Transfer Agreement
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Project”	a property project under development located beside Zhongshan Port, Zhongshan Torch Development Zone* (中山市火炬開發區), Zhongshan City, Guangdong Province, the PRC, which is owned by the Target Company

“Purchaser”	Zhuo Hong (Fujian) Building Materials Trading Co., Ltd.* (卓弘(福建) 建材貿易有限公司), an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder’s Loan”	all the interests, benefits and rights of and in the unsecured, interest-free shareholder’s loan amounting to approximately RMB109,534,000 owed by the Target Company to the Vendor as at the date of the Equity Transfer Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Zhongshan Zhengpei Electronic Technology Co., Ltd.* (中山市正培電子科技有限公司), a limited liability company established in the PRC
“Target Equity Interest”	100% of the equity interest in the Target Company
“Vendor”	Guangzhou Fusheng Real Estate Co., Ltd.* (廣州福晟置業有限公司), a limited liability company established in the PRC
“m <sup>2</sup> ”	square metre(s)
“%”	per cent.

By order of the Board  
**Fullsun International Holdings Group Co., Limited**  
**Pan Haoran**  
*Executive Director*

Hong Kong, 20 September 2019

*As at the date of this announcement, the Board comprises seven executive Directors, namely Mr. Tong Wentao, Mr. Pan Haoran, Mr. Pan Jungang, Ms. Wu Jihong, Mr. Wu Yang, Mr. Li Jinrong and Mr. Tang Kwok Hung and four independent non-executive Directors, namely Dr. Cheung Wai Bun, Charles J.P., Dr. Tse Hiu Tung, Sheldon, Mr. Yang Xiaoping and Mr. Yuen Chee Lap, Carl.*

\* *for identification purpose only*