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三盛控股

Sansheng Holdings (Group) Co. Ltd.

Sansheng Holdings (Group) Co. Ltd.

三盛控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2183)

**VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF A PROPERTY GROUP**

THE AGREEMENT

On 27 September 2019 (after trading hours of the Stock Exchange), the Purchaser, (a direct wholly-owned subsidiary of the Company) entered into the Agreement to conditionally acquire from the Vendor (the controlling Shareholder) the Sale Shares for the Consideration of HK\$231.0 million. The Consideration shall be settled by way of the issue and allotment of 22,000,000 Consideration Shares (representing approximately 5.2% of the issued share capital of the Company as at the date of this announcement and approximately 5.0% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares upon Completion).

The Sale Shares represent the entire issued share capital of the Target Company which will be engaged in property development projects in the PRC through its subsidiaries upon completion of the Reorganisation.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial statements of the Target Group will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As certain percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and therefore is subject to reporting, announcement and Shareholders' approval requirements. In addition, given the Vendor is the controlling Shareholder holding 296,348,127 Shares (representing approximately 70.71% of the issued share capital of the Company) as at the date of this announcement, the Vendor is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Consideration Shares will be issued under a specific mandate of the Company under the Listing Rules.

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the resolution(s) in respect of the Agreement and the transactions contemplated thereunder, including the allotment and issue of the Consideration Shares. Mr. Lin, the Chairman of the Board and an executive Director and Ms. Cheng, an executive Director and the spouse of Mr. Lin, considered themselves having material interests in the Agreement and the transactions contemplated thereunder by reason of Mr. Lin's ownership of the Vendor and had abstained from voting on the Board resolution approving the Agreement and the transactions contemplated thereunder. Given the ultimate beneficial owner of Mega Regal is Mr. Lin and Mega Regal is the Vendor of the Sale Shares, Mega Regal will also be required to abstain from voting on the resolution(s) in relation to the Agreement and the transactions contemplated thereunder in the EGM.

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Agreement and the transactions contemplated thereunder. In this connection, an Independent Financial Adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder.

A circular containing, among others, (i) details of the Agreement; (ii) letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) financial information of the Group; (v) financial information of the Target Group; (vi) unaudited pro forma financial information of the Group assuming Completion; (vii) valuation report; (viii) notice convening the EGM; and (ix) other information as required under the Listing Rules is expected to be despatched on or before 8 November 2019 after taking into account the estimated time required for the Company to prepare relevant information for inclusion in the circular.

As Completion is subject to fulfilment or waiver (as the case may be) of the conditions precedent to the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 27 September 2019 (after trading hours of the Stock Exchange), the Purchaser (a direct wholly-owned subsidiary of the Company), entered into the Agreement to conditionally acquire from the Vendor (the controlling Shareholder) the Sale Shares for the Consideration of HK\$231.0 million. Principal terms of the Agreement are set out below.

THE AGREEMENT

Date:

27 September 2019 (after trading hours of the Stock Exchange)

Parties:

Purchaser : Total Prestige Holdings Limited (全耀控股有限公司), a direct wholly-owned subsidiary of the Company

Vendor : Mega Regal

Mega Regal is the controlling Shareholder holding 296,348,127 Shares (representing approximately 70.71% of the issued share capital of the Company) as at the date of this announcement, and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Mega Regal was incorporated in the British Virgin Islands with limited liability and principally engaged in investment holding. The ultimate beneficial owner of Mega Regal is Mr. Lin, the Chairman of the Board and an executive Director.

Subject Matter

The Sale Shares represent the entire issued share capital of the Target Company, which was incorporated in the British Virgin Islands on 31 May 2019 and upon completion of the Reorganisation, will hold the Project Companies principally engaged in property development projects in the PRC. Further information on the Project Companies is set out in the section headed “Information on the Target Group” below.

Consideration

Pursuant to the Agreement, the Consideration of HK\$231.0 million shall be payable to the Vendor by way of issue and allotment of the Consideration Shares, being 22,000,000 new Shares, at the issue price of HK\$10.5 per Consideration Share, by the Company to the Vendor on Completion Date.

The Consideration was determined based on 95% of the valuation surplus derived from (a) the preliminary valuation of the properties held by the Project Companies of RMB9,505.0 million (equivalent to approximately HK\$10,561.1 million) applied with a discount of approximately 8.8% as agreed by the parties to the Agreement; and (b) the book value of the properties held by the Project Companies as at 31 May 2019 of approximately RMB8,452.0 million (equivalent to approximately HK\$9,391.1 million), having considered that the net asset value of the Target Group as at Completion (before taking into account the valuation surplus) will be close to zero after a dividend of RMB50.0 million (equivalent to approximately HK\$55.6 million) is to be distributed by Xiamen Sansheng to its original owner, namely Fuzhou Sansheng, which is indirectly held by Mr. Lin and Ms. Cheng and for the purpose of the Reorganisation, the Project Companies are to be sold to the Newco by Fuzhou Sansheng at its net asset value (i.e. RMB52.4 million (equivalent to approximately HK\$58.2 million)), which is to be fully settled by offsetting the Inter-Company Loans owing by Fuzhou Sansheng to the Target Group.

The Consideration Shares

The Consideration Shares to be allotted and issued at the issue price of HK\$10.5 per Consideration Share represents:

- (i) a discount of approximately 0.9% to the closing price of HK\$10.60 per Share as quoted on the Stock Exchange on the date of the Agreement; and
- (ii) the same price as the average closing price of approximately HK\$10.50 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Agreement.

The issue price was determined after arm's length negotiations between the Purchaser and the Vendor, with reference to the recent price performance of the Shares and current market conditions.

The Consideration Shares also represent:

- (i) approximately 5.2% of the issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 5.0% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Consideration Shares will be issued under the specific mandate to be sought from the Independent Shareholders at the EGM. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the outstanding Shares in issue on the date of the allotment and issue of the Consideration Shares.

Application for the listing of, and permission to deal in, the Consideration Shares to be allotted and issued pursuant to the Agreement will be made by the Company to the Stock Exchange.

Conditions Precedent

Completion is subject to the fulfilment or waiver (as the case may be) of the following conditions:

- (i) the Company having obtained the approval of its Independent Shareholders in respect of, inter alia, (a) the Acquisition; and (b) the issue of the Consideration Shares to the Vendor pursuant to the terms of the Agreement, in the manner required by the Listing Rules;
- (ii) the Purchaser and the Vendor each having obtained approval of its board of directors in relation to the transactions contemplated in the Agreement;
- (iii) the Company having obtained approval of the Board in relation to the allotment and issue of the Consideration Shares;
- (iv) the Purchaser having obtained, in form and substance satisfactory to the Purchaser from its PRC legal adviser, a legal opinion in relation to, inter alia, (a) the due incorporation and valid existence of members of the Target Group established in the PRC as well as the legality and compliance with respect to ownership of the properties held by the Target Group and business operations of the Target Group (including having obtained the relevant approvals, permits and licenses); and (b) the legality, validity and enforceability of the PRC aspects of the Reorganisation;
- (v) the Company having obtained approval from the Stock Exchange for the listing of and permission to deal in the Consideration Shares;
- (vi) the allotment and issue of the Consideration Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Agreement by any legislative, executive or regulatory body or authority of the Cayman Islands or Hong Kong;
- (vii) completion of the Reorganisation, in form and substance satisfactory to the Purchaser and its PRC legal counsel;
- (viii) the Purchaser and the Vendor having complied with the terms and conditions of the Agreement and there having been no material breach of the Agreement by any party to the Agreement;
- (ix) all of the warranties and representations contained in the Agreement being true, correct, complete, accurate and not misleading in all material respects at Completion, as if repeated at Completion and all undertakings contained in the Agreement, to the extent being capable of being fulfilled prior to the Completion Date, having been fulfilled in all respects;
- (x) no material adverse change having occurred in relation to the Target Group between the date of the Agreement and the Completion Date;
- (xi) the Purchaser, the Vendor and the Company having complied with the Listing Rules in all respects in connection with the Acquisition;

- (xii) the Purchaser being satisfied with the results of the legal and/or financial due diligence review of the Target Group, including having obtained sufficient evidence showing good title of the properties held by the Target Group pursuant to relevant PRC laws and regulations;
- (xiii) the distribution of dividend of RMB50.0 million by Xiamen Sansheng to Fuzhou Sansheng prior to completion of the Reorganisation; and
- (xiv) the Purchaser having satisfied that the Vendor and each member of the Target Group is duly incorporated, validly existing, of good standing and has due capacity and authority to enter into each of the Agreement and the agreements under the Reorganisation to which it is a party, and that the shareholding structure of the Target Group pursuant to the Agreement is true, correct, accurate, complete, legal and valid.

The Purchaser may at any time waive the conditions set out in (iv), (vii), (x), (xii) and (xiv) above by notice in writing to the Vendor. The Vendor may at any time waive the condition (xiii) above by notice in writing to the Purchaser. As at the date of this announcement, the Company has no intention to waive any of the above conditions.

If the conditions above have not been fulfilled or waived (as the case may be) within six (6) months from the date of the Agreement (or such later date as the parties may agree), the Agreement shall cease and determine and neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the Agreement.

Completion

Completion shall take place within seven (7) Business Days after fulfillment or waiver (as the case may be) of all of the conditions precedent to the Agreement, or such other date as the parties to the Agreement may agree in writing.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial statements of the Target Group will be consolidated into the financial statements of the Group.

Repayment of the Inter-Company Loans

As at 31 May 2019, Fuzhou Sansheng owed to the Target Group the Inter-Company Loans of approximately RMB732.1 million (equivalent to approximately HK\$813.4 million). Pursuant to the Reorganisation, the acquisition cost for the transfer of the Project Companies from Fuzhou Sansheng to the Newco will be offset by the Inter-Company Loans. It is expected that the Inter-Company Loans will be reduced to approximately RMB679.7 million (equivalent to approximately HK\$755.2 million) upon completion of the Reorganisation. Pursuant to the Agreement, the Vendor shall procure the Inter-Company Loans to be fully settled at Completion.

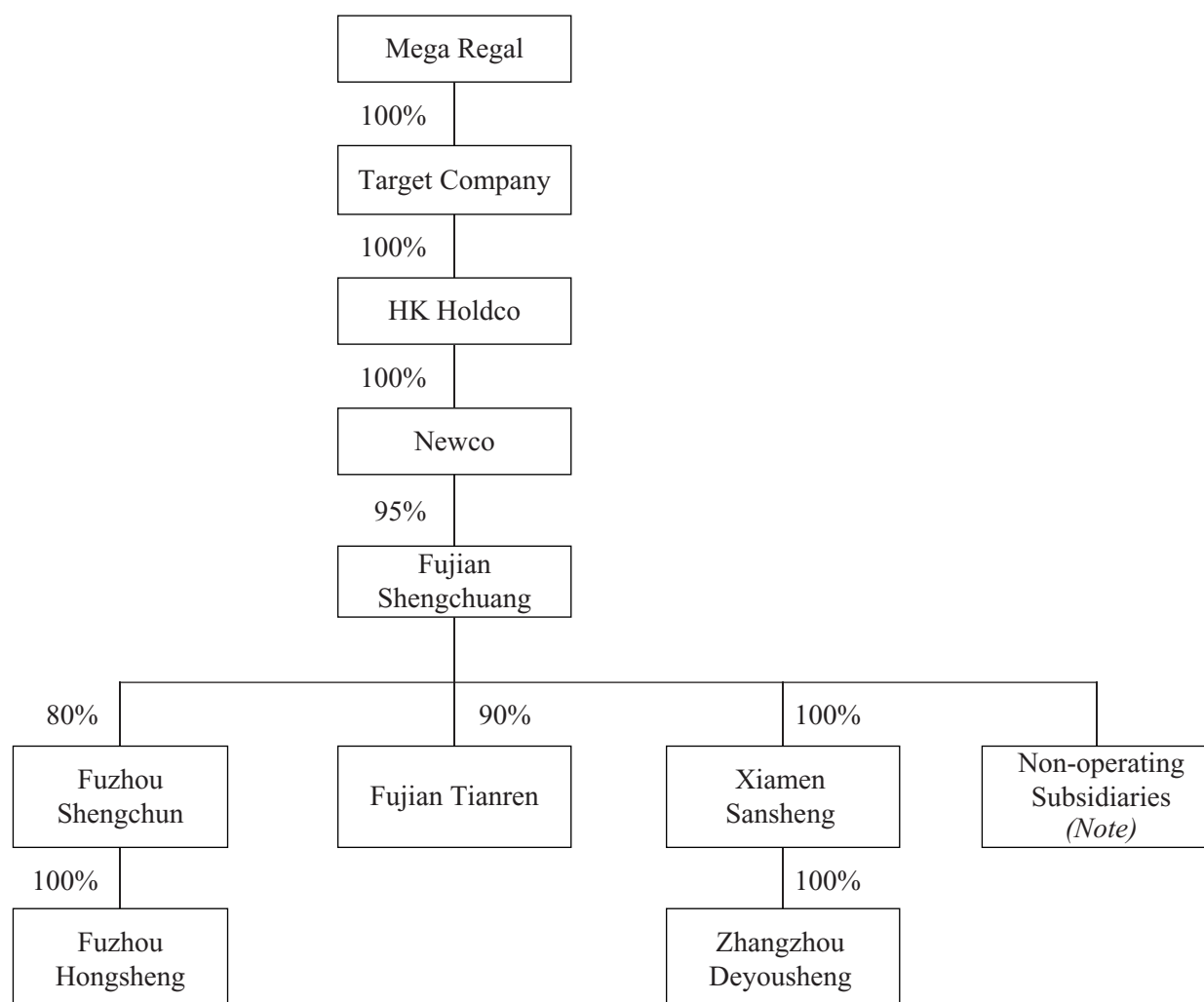
INFORMATION ON THE TARGET GROUP

The Target Group

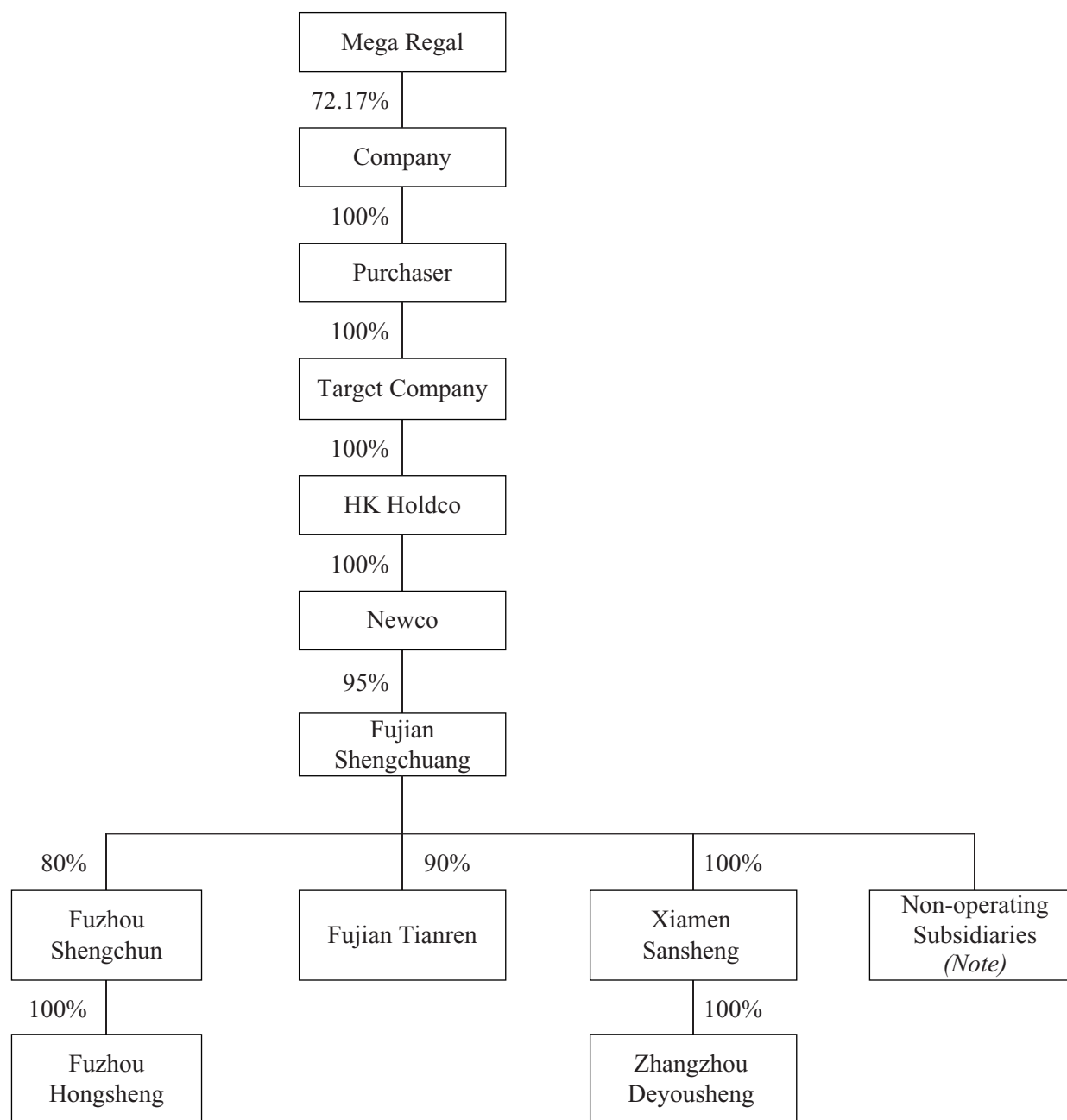
As one of the conditions precedent to Completion, the Vendor shall complete the Reorganisation, upon which the Target Company incorporated in the British Virgins Island with limited liability will hold the Project Companies which are principally engaged in property development and are currently engaged in construction and development of certain residential/commercial projects in Fujian Province of the PRC. The Target Group will also hold 16 other subsidiaries, comprising (i) two investment holding companies (i.e. the HK Holdco and the Newco); and (ii) 14 non-operating subsidiaries (the “**Non-operating Subsidiaries**”) with no material assets. Save for the Project Companies comprising Fujian Shengchuang, Fuzhou Hongsheng, Fujian Tianren and Zhangzhou Deyousheng, members of the Target Group have no business operations since their establishment.

Set out below is the shareholding structure of the Target Group upon completion of the Reorganisation and immediately (i) before Completion; and (ii) after Completion:

(i) *immediately before Completion*



(ii) immediately after Completion



Note:

Non-operating Subsidiaries comprise (i) 11 non-operating companies directly or indirectly wholly-owned by Fujian Shengchuang; (ii) a non-operating company together with its wholly-owned subsidiary which is owned as to 70% by Fujian Shengchuang; and (iii) a non-operating company owned as to 100% by Fuzhou Shengchun. Such Non-operating Subsidiaries are companies with no material assets and no business operations.

Fujian Shengchuang

Fujian Shengchuang is a company established in the PRC on 22 November 2013 with limited liability and is principally engaged in property development in the PRC. Upon completion of the Reorganisation, Fuzhou Shengchuang is owned as to 95% by the Newco and as to 5% by an Independent Third Party.

In December 2013, Fujian Shengchuang acquired a land parcel with a site area of approximately 57,000 sq.m. in Cangshan District, Fuzhou City, Fujian Province, the PRC. The project is planned to be developed into a commercial property named 濱江國際 (Binjiang International*) in two phases with a total GFA of approximately 321,900 sq.m.. Construction of phase I of the project with a GFA of approximately 83,600 sq.m. was completed in May 2016, of which approximately 65,000 sq.m. was sold and delivered, approximately 7,600 sq.m. was rented and approximately 11,000 sq.m. was held for sale. Construction of phase II with a GFA of approximately 238,300 sq.m. comprising office, hotel and shopping complex commenced in October 2016 and is expected to complete in May 2020. As at 31 May 2019, a GFA of phase II of approximately 61,800 sq.m. has been pre-sold.

Fuzhou Hongsheng

Fuzhou Hongsheng is a company established in the PRC on 17 November 2016 with limited liability and is principally engaged in property development in the PRC. Fuzhou Hongsheng is wholly-owned by Fuzhou Shengchun and upon completion of the Reorganisation, Fuzhou Shengchun is owned as to 80% by Fujian Shengchuang and as to 20% by an Independent Third Party. Pursuant to certain contractual arrangements, the Independent Third Party will receive a guaranteed return on its investment in Fuzhou Shengchun and its ownership interests shall be purchased by Fujian Shengchuang upon the end of the investment period. As such, the investment in Fuzhou Shengchun by the Independent Third Party was treated as a debt and no non-controlling interest with respect to the Independent Third Party is accounted for in the Target Group's combined financial information in accordance with the Hong Kong Financial Reporting Standards.

In November 2016, Fuzhou Hongsheng acquired two land parcels with a total site area of approximately 78,000 sq.m. in Nantong Town, Fuzhou City, Fujian Province, the PRC. The project is planned to develop into a residential development named 璞悦灣 (Puyue Bay*) with a total GFA of approximately 257,300 sq.m.. Construction of the project commenced in June 2017. and is expected to complete in September 2021. As at 31 May 2019, a GFA of approximately 130,700 sq.m. was approved for pre-sale, of which approximately 53,700 sq.m. has been pre-sold.

Fujian Tianren

Fujian Tianren is a company established in the PRC on 25 May 2017 with limited liability and is principally engaged in property development in the PRC. Fujian Tianren is owned as to 90% by Fujian Shengchuang and as to 10% by an Independent Third Party.

In May 2017, Fujian Tianren acquired a land parcel with a site area of approximately 65,400 sq.m. in Southeastern part of Xiapu County, Ningde City, Fujian Province, the PRC. The project is planned to develop into a residential development named 福臨御景 (Fulin Royal Landscape*) in two phases with a total GFA of approximately 219,900 sq.m.. Construction of the project commenced in January 2019 and is expected to complete in August 2022. As at 31 May 2019, the project has not yet approved for pre-sale or sale.

Zhangzhou Deyousheng

Zhangzhou Deyousheng is a company established in the PRC on 10 December 1999 with limited liability and is principally engaged in property development in PRC. Zhangzhou Deyousheng is wholly-owned by Xiamen Sansheng, which is wholly-owned by Fujian Shengchuang.

In May 2005, Zhangzhou Deyousheng acquired a land parcel with a site area of approximately 237,700 sq.m. in Gangwei Town, Longhai City, Fujian Province, the PRC. The land is planned to develop into a residential and villa complex named 國際海岸 (International Harbour*) in two phases with a total GFA of approximately 411,100 sq.m.. Construction of phase I with a GFA of approximately 214,600 sq.m. commenced in June 2015 and completed in December 2018, of which approximately 191,100 sq.m. was sold and delivered, approximately 2,500 sq.m. was pre-sold and approximately 21,000 sq.m. was held for sale. Construction of phase II with a GFA of approximately 196,500 sq.m. commenced in January 2017 and is expected to complete in December 2020. As at 31 May 2019, a GFA of phase II of approximately 133,300 sq.m. has been pre-sold.

Financial Information of the Target Group

Set out below is the summary of the key unaudited combined financial information of the Target Group for FY2017 and FY2018 and the five months ended 31 May 2019 as prepared in accordance with the Hong Kong Financial Reporting Standards. The financial information was extracted from the combined management account of the Target Group as at 31 May 2019, which entirely combined Fujian Shengchuang's financial statements without non-controlling interest given the Reorganisation has yet to be completed.

			For the five months ended
	FY2017	FY2018	31 May 2019
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
<i>(in million)</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Revenue	1,174.7	1,178.0	39.8
Profit/(loss) before taxation	208.4	188.4	(8.8)
Profit/(loss) after taxation	81.2	30.1	(14.5)

In 2017 and 2018, the pre-sold units of Zhangzhou Deyousheng were gradually delivered to customers and revenue in relation to the sale of these pre-sold units was recognised for FY2017 and FY2018. As most of the delivery of pre-sold units of the Project Companies took place on or before 2018, revenue of the Target Group for the five months ended 31 May 2019 reduced significantly and led to a net loss of the Target Group for the five months ended 31 May 2019.

The unaudited net asset value of the Target Group attributable to owner was approximately RMB102.4 million (equivalent to approximately HK\$113.8 million) as at 31 May 2019. The total investment cost of the Vendor in the Target Group was approximately RMB553.5 million (equivalent to approximately HK\$615.0 million).

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 419,114,000 Shares in issue. Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion and the allotment and issue of the Consideration Shares:

	(i) As at the date of this announcement		(ii) Immediately upon Completion and the allotment and issue of the Consideration Shares	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mega Regal	296,348,127	70.71	318,348,127	72.17
Public Shareholders	122,765,873	29.29	122,765,873	27.83
Total	<u>419,114,000</u>	<u>100.00</u>	<u>441,114,000</u>	<u>100.00</u>

REASONS AND BENEFITS OF THE AGREEMENT

The Group is principally engaged in property development and sale, and property investment. As disclosed in the 2018 annual report of the Company, it is the strategy of the Group to identify land in prime locations suitable for property development and investment in order to increase its land reserve and further promote development of the Group. To this end, the Group has acquired land plots in different cities in the PRC through acquisitions and land biddings. As at 30 June 2019, the Group had a total of 15 ongoing property development projects with a total site area of over 796,500 sq.m..

As mentioned in the section headed “Information on the Target Group” above, the property projects owned by the Project Companies are located in Fujian Province. According to the National Bureau of Statistics of the PRC, the average selling price of residential units in Fujian Province increased from approximately RMB6,100 per sq.m. in 2011 to approximately RMB9,300 per sq.m. in 2018, representing a compound annual growth rate of approximately 6.2%. Besides, the Group had pre-sale of 3 property projects located in Fujian Province during the first half of 2019 and all of them recorded promising results.

Based on the above, the Directors are confident with the sustainable development of the property market in Fujian Province and consider the Acquisition a good opportunity to supplement the land reserve of the Group in Fujian Province. The Directors are of the view that the Acquisition is in line with the strategy of the Group stated above and the terms of the Acquisition are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As certain percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and therefore is subject to reporting, announcement and Shareholders’ approval requirements. In addition, given the Vendor is the controlling Shareholder holding 296,348,127 Shares (representing approximately 70.71% of the issued share capital of the Company) as at the date of this announcement, the Vendor is therefore a connected person of the Company. Accordingly, the Acquisition also constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. The Consideration Shares will be issued under a specific mandate of the Company under the Listing Rules.

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the resolution(s) in respect of the Agreement and the transactions contemplated thereunder, including the allotment and issue of the Consideration Shares. Mr. Lin, the Chairman of the Board and an executive Director and Ms. Cheng, an executive Director and the spouse of Mr. Lin, considered themselves having material interests in the Agreement and the transactions contemplated thereunder by reason of Mr. Lin’s ownership of Mega Regal and had abstained from voting on the Board resolution approving the Agreement and the transactions contemplated thereunder. Given the ultimate beneficial owner of Mega Regal is Mr. Lin and Mega Regal is the Vendor of the Sale Shares, Mega Regal will also be required to abstain from voting on the resolution in relation to the Agreement and the transactions contemplated thereunder in the EGM.

A circular containing, among others, (i) details of the Agreement; (ii) letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) financial information of the Group; (v) financial information of the Target Group; (vi) unaudited pro forma financial information of the Group assuming Completion; (vii) valuation report; (viii) notice convening the EGM; and (ix) other information as required under the Listing Rules is expected to be despatched on or before 8 November 2019 after taking into account the estimated time required for the Company to prepare relevant information for inclusion in the circular.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Agreement and the transactions contemplated thereunder. In this connection, an Independent Financial Adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder.

As Completion is subject to fulfilment or waiver (as the case may be) of the conditions precedent to the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the Agreement
“Agreement”	the conditional sale and purchase agreement dated 27 September 2019 entered into between the Purchaser and the Vendor in relation to the Acquisition
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	day(s) (other than a Saturday, Sunday or a public holiday in Hong Kong or the PRC) on which commercial banks are open for business in Hong Kong and the PRC
“Company”	Sansheng Holdings (Group) Co. Ltd., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2183)

“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for acquisition of the Sale Shares in the amount of HK\$231.0 million
“Consideration Share(s)”	22,000,000 new Share(s) to be allotted and issued by the Company to the Vendor
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting to be held and convened for the Independent Shareholders to consider, and if thought fit, to approve the Agreement and transactions contemplated thereunder, including the allotment and issue of the Consideration Shares
“Fujian Shengchuang”	福建盛創房地產開發有限公司 (Fujian Shengchuang Real Estate Development Co., Ltd.*), a company established in the PRC with limited liability
“Fujian Tianren”	福建天壬房地產開發有限公司 (Fujian Tianren Real Estate Development Co., Ltd.*), a company established in the PRC with limited liability
“Fuzhou Hongsheng”	福州宏盛房地產開發有限公司 (Fuzhou Hongsheng Real Estate Development Co., Ltd.*), a company established in the PRC with limited liability
“Fuzhou Sansheng”	福州三盛置業有限公司 (Fuzhou Sansheng Property Co., Ltd*), a company established in the PRC with limited liability which is wholly-owned by 三盛集團有限公司 (Sansheng Group Limited*), a company indirectly held by Mr. Lin and Ms. Cheng
“Fuzhou Shengchun”	福州盛淳投資有限公司 (Fuzhou Shengchun Investment Co., Ltd.*), a company established in the PRC with limited liability
“FY2017”	the financial year ended 31 December 2017
“FY2018”	the financial year ended 31 December 2018

“Group”	the Company and its subsidiaries
“HK Holdco”	Sheng Zhen Company Limited (盛臻有限公司), a company incorporated in Hong Kong on 17 July 2019 with limited liability and wholly-owned by the Target Company for the purpose of the Reorganisation
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising Mr. Pan Dexiang, Mr. Yuan Chun and Mr. Zhong Bin, being all the independent non-executive Directors, which is formed to advise the Independent Shareholders on the Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than (i) Mega Regal; and (ii) any other Shareholders who have a material interest in the Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Inter-Company Loans”	the amount due from Fuzhou Sansheng to the Target Group
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mega Regal” or “Vendor”	Mega Regal Limited, the controlling Shareholder which holds 296,348,127 Shares, representing approximately 70.71% issued share capital of the Company as at the date of this announcement
“Mr. Lin”	Mr. Lin Rongbin, the Chairman of the Board and an executive Director
“Ms. Cheng”	Ms. Cheng Xuan, an executive Director and the spouse of Mr. Lin
“NewCo”	福州盛臻投資有限公司 (Fuzhou Shengyu Investment Co., Ltd*), a wholly foreign-owned enterprise (WFOE) established in the PRC on 8 August 2019 with limited liability and wholly-owned by the HK Holdco for the purpose of the Reorganisation

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Project Companies”	collectively, Fujian Shengchuang, Fuzhou Hongsheng, Fujian Tianren and Zhangzhou Deyousheng
“Purchaser”	Total Prestige Holdings Limited (全耀控股有限公司), a company established in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Reorganisation”	the group restructuring to be carried out by the Vendor with a view to regroup the Project Companies under the Target Company
“Sale Shares”	100 shares of US\$1 in the Target Company, representing 100% of the issued share capital of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target Company”	Time Fortune Investments Limited (時幸投資有限公司), a company incorporated in the British Virgin Islands on 31 May 2019 with limited liabilities and wholly-owned by Mega Regal
“Target Group”	the Target Company and its subsidiaries
“Xiamen Sansheng”	廈門三盛置業有限公司(Xiamen Sansheng Real Estate Co., Ltd.*), a company established in the PRC with limited liability
“Zhangzhou Deyousheng”	漳州市德友盛房地產開發有限公司(Zhangzhou Deyousheng Real Estate Development Co., Ltd.*), a company established in the PRC with limited liability
“GFA”	gross floor area
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq. m.”	square metre(s)
“%”	per cent.

For ease of reference, sums in RMB in this announcement is translated at the rate of RMB0.90 = HK\$1. This does not mean that RMB could be converted into HK\$ or vice versa based on such exchange rates.

** For identification only*

By order of the Board
Sansheng Holdings (Group) Co. Ltd.
Lin Rongbin
Chairman

Hong Kong, 27 September 2019

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Lin Rongbin and Ms. Cheng Xuan; two non-executive Directors, namely Mr. Xiao Zhong and Mr. Xu Jianwen; and three independent non-executive Directors, namely Mr. Pan Dexiang, Mr. Yuan Chun and Mr. Zhong Bin.