

*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.*



## **Fortune Sun (China) Holdings Limited**

**富陽（中國）控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 00352)

### **DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY**

#### **THE ACQUISITION**

The Board is pleased to announce that on 25 November 2020, the Board resolved to approve the Purchaser (a wholly-owned subsidiary of the Company) to acquire the Property from the Vendor at the Consideration of approximately RMB9,384,000 (equivalent to approximately HK\$11,036,000).

#### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but all of them are under 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **THE ACQUISITION**

##### **Background**

The Vendor, a former customer of the Group, has owed the Purchaser, a wholly-owned subsidiary of the Group, outstanding contract balance in the amount of approximately RMB2,884,000 since 2011 for the Group's provision of property consultancy and agency services. To recover the outstanding contract sum, the Purchaser commenced proceeding against the Vendor in 2013 at the Court. In 2014, the Purchaser obtained judgement in its favour that the Vendor was liable to repay the Purchaser the outstanding contract balance together with the interest and compensation payment accrued thereon. However, as the Vendor has been under financial difficulties since that time, it was unable to satisfy the judgement and make payment to the Group. The Court has therefore ordered the Property to be sold by way of auction and the Purchaser shall recover the outstanding sum from the proceeds. Yet, as of 10 November 2020, the Property still failed to be sold at the fourth auction.

Accordingly, the Court has informed the Purchaser that it shall be entitled to acquire the Property at the Consideration of approximately RMB9,384,000, being the book value of the Property, and set-off the Consideration by the sum due and owing by the Vendor to the Purchaser in the aggregate sum of approximately RMB4,554,000 as adjudicated by the Court.

On 25 November 2020, the Company has resolved to approve the Purchaser to acquire the Property from the Vendor at the Consideration of approximately RMB9,384,000 (equivalent to approximately HK\$11,036,000) as per the Court's proposal. Set out below are the details of the Acquisition:

### **Parties**

Vendor: 江蘇瀛尚房產開發有限公司 (Jiangsu Yingshang Property Development Company Limited\*), a former customer of the Group and an Independent Third Party

Purchaser: 上海富陽物業諮詢有限公司 (Shanghai Fuyang Property Consultant Company Limited\*), a wholly-owned subsidiary of the Company

### **Information on the Property**

The Property is a shop located in Xuelin Yayuan, Xindu Street, Yandu District, Yancheng City, the PRC. The gross floor area of the Property is approximately 1,972 square metres.

### **Consideration and payment terms**

The Consideration for the Acquisition is approximately RMB9,384,000 (equivalent to approximately HK\$11,036,000), which represents the book value of the Property. The Consideration shall be set-off by the outstanding contract sum together with the interest and compensation payment accrued thereon due and owing by the Vendor to the Purchaser in the aggregate sum of approximately RMB4,554,000 as adjudicated by the Court. The remaining balance of the Consideration in the amount of approximately RMB4,830,000 shall be satisfied by the Purchaser in cash and will be funded by an unsecured loan provided by a company wholly-owned by Ms. Chang Hsiu Hua, an executive Director, on normal commercial terms.

As instructed by the Court, the Purchaser shall make payment of the balance of the Consideration to the Court on or before 25 November 2020. Following such payment, the Court will issue a formal property transfer judgement to the Purchaser and notify the Vendor to issue an invoice for the Purchaser to make payment of deed tax equivalent to 3% of the Consideration (amounting to approximately RMB282,000 or HK\$331,000). The Purchaser shall then be entitled to conduct the change of title procedures in relation to the Property at the real estate registration centre.

According to a valuation of the Property prepared by an independent valuer appointed by the Court, the fair value of the Property amounts to approximately RMB16,758,000 (equivalent to approximately HK\$19,707,000) as at 8 August 2020. The valuation was prepared based on the comparable property prices in Yancheng City under the market approach.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group has not been able to recover the outstanding contract balance in the amount of approximately RMB2,884,000 from the Vendor since 2011. The Group has resorted to legal proceedings in an attempt to recover the outstanding sum. Despite obtaining a judgement in the Purchaser's favour in 2014, it has not been able to enforce the judgement on the Vendor as it was under financial difficulties. Although the Court has ordered the Property to be sold at auction so that the proceeds from the sale could be used to repay the sum due and owing to the Purchaser, the Property failed to be sold at four auctions. The Directors see the Acquisition as the Group's last resort to recover the outstanding contract balance, interest and compensation payment from the Vendor, particularly in light of the revocation of the Vendor's business registration and the apparent financial difficulties of the Vendor.

The Group intends to hold the Property for investment purpose and will lease out the Property for rental income. Therefore, the Acquisition offers the Group an appealing property investment opportunity for capital appreciation and stable rental income in the future, at a discounted price as compared to the market value of the Property as stated in the Valuation.

The Board considers that the terms of the Acquisition are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP AND THE VENDOR**

The Group is principally engaged in the provision of property consultancy and agencies services for primary property market in the PRC and the Southeast Asia. The Purchaser is a wholly-owned subsidiary of the Company.

The Vendor is a company established under the laws of the PRC which was principally engaged in property development in the PRC prior to the revocation of its business registration in 2017. Based on the publicly available information, the Vendor is owned as to 50% by Shanghai Daying Investment Limited\* (上海達瀛投資有限公司), which is in turn owned by five individuals with Sun Hongjuan being the largest shareholder holding 35% of the equity interest, and 50% by Shanghai Shimeng Investment Holdings Group Limited\* (上海仕盟投資控股集團有限公司), which is in turn owned by two individuals, with Sun Rong being the largest shareholder holding 53% of the equity interest. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but all of them are under 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Acquisition”	acquisition of the Property by the Purchaser
“Board”	the board of Directors
“Company”	Fortune Sun (China) Holdings Limited (stock code: 00352), a company incorporated in Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Consideration”	RMB9,384,000 (equivalent to approximately HK\$11,036,000) being the total consideration payable by the Purchaser to the Vendor in respect of the Acquisition

“Court”	中華人民共和國鹽城市鹽都區人民法院 (People’s Court of Yandu District, Yancheng City, the PRC*)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who/which is/are independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administration Region of the PRC and Taiwan for the purpose of this announcement
“Property”	a shop located in Xuelin Yayuan, Xindu Street, Yandu District, Yancheng City, the PRC
“Purchaser”	上海富陽物業諮詢有限公司 (Shanghai Fuyang Property Consultant Company Limited*), a company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company as at the date of this announcement
“Shareholder(s)”	holder(s) of Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	江蘇瀛尚房產開發有限公司 (Jiangsu Yingshang Property Development Company Limited*), a company established under the laws of the PRC
“%”	per cent.

*Unless otherwise specified, the conversion of RMB into HK\$ are based on the exchange rate of RMB1.00 to HK\$1.176. No representation is made that any amounts in RMB and HK\$ have been or could be converted at the relevant dates at the above rate or other rates or at all.*

By order of the Board  
**Fortune Sun (China) Holdings Limited**  
**Chiang Chen Feng**  
*Chairman*

Hong Kong, 25 November 2020

*As at the date of this announcement, the executive Directors are Mr. Chiang Chen Feng, Ms. Chang Hsiu Hua and Mr. Han Lin; the non-executive Director is Ms. Lin Chien Ju; and the independent non-executive Directors are Mr. Cui Shi Wei and Mr. Lam Chun Choi and Mr. Chow Yiu Ming.*

*In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.*

\* *For identification purposes only*