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**三盛控股**

Sansheng Holdings (Group) Co. Ltd.

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**三盛控股（集團）有限公司**

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

**(Stock Code: 2183)**

**CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO COMMERCIAL PROPERTIES OPERATION AND  
MANAGEMENT SERVICE FRAMEWORK AGREEMENT**

**THE FRAMEWORK AGREEMENT**

On 30 April 2021 (after trading hours of the Stock Exchange), the Company entered into the Framework Agreement with Fujian Boen, pursuant to which Fujian Boen agreed to provide, or procure its subsidiaries to provide, the Services to the Group for a term from the Effective Date to 31 December 2023 (both days inclusive).

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Mr. Lin, through companies wholly-owned by him, is interested in a total of 367,828,127 Shares, representing approximately 74.98% of the issued share capital of the Company.

As at the date of this announcement, Fujian Boen is directly owned by Jiamenkou Technology as to approximately 75.82%, which is in turn directly wholly-owned by Ms. Du, Mr. Lin, and Ms. Cheng collectively. Therefore, Fujian Boen is an associate of the connected persons of the Company.

As a result, the entering into of the Framework Agreement between the Company and Fujian Boen and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the annual caps for the transactions contemplated under the Framework Agreement are over 0.1% but all are less than 5%, the transactions contemplated under the Framework Agreement are subject to the reporting, annual review and announcement requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

On 30 April 2021 (after trading hours of the Stock Exchange), the Company entered into the Framework Agreement with Fujian Boen, pursuant to which Fujian Boen agreed to provide, or procure its subsidiaries to provide, the Services to the Group for a term from the Effective Date to 31 December 2023 (both days inclusive).

## **THE FRAMEWORK AGREEMENT**

The principal terms of the Framework Agreement are summarised as follows:

**Date:** 30 April 2021 (after trading hours of the Stock Exchange)

**Parties:** The Company; and  
Fujian Boen.

As at the date of this announcement, Mr. Lin, through companies wholly-owned by him, is interested in a total of 367,828,127 Shares, representing approximately 74.98% of the issued share capital of the Company.

As at the date of this announcement, Fujian Boen is directly owned as to approximately 75.82% by Jiamenkou Technology, which in turn is directly wholly-owned by Ms. Du, Mr. Lin, and Ms. Cheng collectively. Therefore, Fujian Boen is an associate of the connected persons of the Company.

**Subject matter:** Pursuant to the Framework Agreement, (i) Fujian Boen agreed to provide or procure its subsidiaries to provide the Services to the Group; and (ii) the Company agreed to procure its subsidiaries to receive the Services from the Fujian Boen Group, in accordance with the terms of the Framework Agreement.

Pursuant to the Framework Agreement, for the Services, the relevant parties (i.e. Fujian Boen Group on one hand, and the Group on the other hand) shall enter into a specific contract within the term of the Framework Agreement, pursuant to which detailed terms and conditions (such as details of the relevant Services and pricing terms) shall be governed by such specific contract.

**Term:** From the Effective Date to 31 December 2023 (both days inclusive).

**Pricing:** Pursuant to the Framework Agreement, the service fees for the Services shall be determined after arm's length negotiations between the parties with reference to (i) the type, location and size of the properties, (ii) the scope and standard of the Services to be provided, (iii) the anticipated operational costs (including, among others, labour costs, material costs and administrative costs) for providing such Services and the expected increase of related costs due to inflation and economic and social development, and (iv) the prevailing market prices for similar Services; and as separately agreed between the Group and Fujian Boen Group which is/are to be set out in the specific commercial operation and management service contract(s).

## Historical figures

The table below sets out the historical transaction amounts, being the total service fees for the Services between Yangzhou Real Estate, being a member of the Group as of the date of this announcement, and Yangzhou Business Management, being a member of the Fujian Boen Group as of the date of this announcement, for the Period and the four months ended 30 April 2021<sup>(Note)</sup>.

	<b>For the Period</b> <i>(RMB million)</i>	<b>For the four months ended 30 April 2021</b> <i>(RMB million)</i>
Historical transaction amounts	approximately 0.85 (equivalent to approximately HK\$1.01 million)	approximately 2.24 (equivalent to approximately HK\$2.67 million)

*Note:* Yangzhou Real Estate, which was then indirectly wholly-owned by Mr. Lin, had entered into an existing agreement dated 15 October 2015 (the “**Existing Agreement**”) concerning the Services pursuant to which it would receive the Services from Yangzhou Business Management, which was then directly wholly-owned by Jiamenkou Technology, for a term of six years starting from 1 January 2015 to 31 December 2020 and the agreement to be automatically renewed for the same term unless the parties to the Existing Agreement otherwise objected in writing (the “**Continuing Transaction**”). Reference is made to the announcements of the Company dated 24 August 2020 and 24 November 2020 and the circular dated 24 September 2020 in relation to the acquisition of, among others, Yangzhou Real Estate from Mega Regal Limited, which is wholly and beneficially owned by Mr. Lin. On 24 November 2020, Yangzhou Real Estate became indirectly owned as to approximately 95% by the Company. Therefore, the Continuing Transaction would since then constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules. However, as all applicable percentage ratios for the Continuing Transaction for each of the Period and the four months ended 30 April 2021 would be less than 5% and the total consideration was less than HK\$3,000,000, it fell within the de minimis threshold as stipulated under Rule 14A.76(1) of the Listing Rules and was fully exempted from the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. On 8 February 2021, Yangzhou Business Management became a direct wholly-owned subsidiary of Fujian Boen. Upon the entering into of the Framework Agreement, the Existing Agreement would be terminated.

## Annual caps and basis of the annual caps

The annual caps for the three years ending 31 December 2023 for the transactions contemplated under the Framework Agreement and basis thereof are as follows:

	<b>For the year ending 31 December 2021</b> <i>(RMB million)</i>	<b>For the year ending 31 December 2022</b> <i>(RMB million)</i>	<b>For the year ending 31 December 2023</b> <i>(RMB million)</i>
Annual caps	10.50 <sup>(Note)</sup> (equivalent to approximately HK\$12.50 million)	11.00 (equivalent to approximately HK\$13.10 million)	11.50 (equivalent to approximately HK\$13.69 million)

*Note:* The historical transaction amount for the four months ended 30 April 2021 was approximately RMB2.24 million (equivalent to approximately HK\$2.67 million).

The annual caps for the Services are arrived at after taking into consideration of, among others, the following:

- (i) the historical amount of the service fees;
- (ii) anticipated demand for the Services by the Group based on the current development plan of the existing property development projects of the Group;
- (iii) the type, location and size of the properties;
- (iv) the scope and standard of Services to be provided;
- (v) anticipated operational costs (including, among others, labour costs, material costs and administrative costs) for providing the Services;
- (vi) prevailing market prices for the relevant Service; and
- (vii) a buffer taking into account, among others, (a) the expected increase of related costs due to inflation, and economic and social development during the term of the Framework Agreement; (b) the potential additional demand for the Services by the Group during the term of the Framework Agreement; and (c) the possibility of adjustment of total service fees for the Services due to unforeseen circumstances.

## **INTERNAL CONTROL**

In order to ensure the transactions contemplated under the Framework Agreement (i) will be conducted on normal commercial terms; (ii) will be fair and reasonable to the Company and the Shareholders; and (iii) will not be prejudicial to the interests of the Company and Shareholders as a whole, the Company has formulated the following internal control policies and adopted the following internal control measures:

- (i) the legal department and finance department of the Company will closely monitor the transactions under the Framework Agreement to ensure that the transaction amounts will not exceed the annual caps;
- (ii) the legal department of the Company will conduct regular random checks to review and assess whether the transactions contemplated under the Framework Agreement are conducted on normal commercial terms, in accordance with the terms set out in the Framework Agreement and whether the service fees and relevant contract terms are in the interest of the Company and the Shareholders as a whole;

- (iii) the Company's external auditors will conduct an annual review of the transactions entered into under the Framework Agreement to ensure that the transaction amounts are within the annual caps and the transactions are in accordance with the terms set out in the Framework Agreement; and
- (iv) the Company's independent non-executive Directors will conduct regular reviews of the status of the transactions contemplated under the Framework Agreement to ensure that the Company has complied with its internal approval process, the terms of the Framework Agreement and the relevant requirements under the Listing Rules.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE FRAMEWORK AGREEMENT**

As the Group is principally engaged in property development in the PRC, Fujian Boen Group's service offerings by entering into the Framework Agreement will complement the Group's core business and development strategies. Further, given the long-term established relationship between the Group and Fujian Boen Group, both parties will be familiar with the expectations of their counterparts, thus resulting in more efficiency and productivity for both sides' cooperation. These all create a synergistic effect for the Group's offerings which would ultimately maximise value for the Shareholders.

The Directors (including the independent non-executive Directors) are of the view that the entering into of the Framework Agreement is in the ordinary and usual course of business of the Group and on normal commercial terms. Taking into account the reasons and benefits above and the pricing policies set out in the section headed "The Framework Agreement" above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Framework Agreement (including the annual caps thereof) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Mr. Lin, through companies wholly-owned by him, is interested in a total of 367,828,127 Shares, representing approximately 74.98% of the issued share capital of the Company.

As at the date of this announcement, Fujian Boen is directly owned as to approximately 75.82% by Jiamenkou Technology, which is in turn directly wholly-owned by Ms. Du, Mr. Lin, and Ms. Cheng collectively. Therefore, Fujian Boen is an associate of the connected persons of the Company.

As a result, the entering into of the Framework Agreement between the Company and Fujian Boen and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the annual caps for the transactions contemplated under the Framework Agreement are over 0.1% but all are less than 5%, the transactions contemplated under the Framework Agreement are subject to the reporting, annual review and announcement requirements but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Since Mr. Lin and Ms. Cheng have a material interest in the transactions contemplated under the Framework Agreement, Mr. Lin and Ms. Cheng have abstained from voting on the relevant Board resolution to approve the entering into of the Framework Agreement. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the Framework Agreement and none of them has abstained from voting on the relevant Board resolutions.

## **INFORMATION ABOUT THE PARTIES**

### **(i) The Company**

The Company is an investment holding company. The Company's subsidiaries are principally engaged in property development and sales, property investment, hotel operations and construction and design services.

### **(ii) Fujian Boen**

Fujian Boen and its subsidiaries are principally engaged in the provision of property management services, value-added services to non-property owners and community value-added services.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as the date of this announcement, Fujian Boen is owned as to (i) approximately 75.82% by Jiamenkou Technology; (ii) approximately 9.66% by Xiamen Bosheng Investment Partnership (Limited Partnership)\* (廈門市伯盛投資合夥企業(有限合夥)) ("**Bosheng Investment**"); (iii) approximately 2.79% by Royal Wind Limited (嘉柏匯有限公司) ("**Royal Wind**"); and (iv) approximately 11.73% by one individual and other two companies. To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, the individual and the beneficial owners of the two companies are Independent Third Parties.

As at the date of this announcement, Jiamenkou Technology is owned as to 49% by Ms. Du, 41.1% by Mr. Lin and 9.9% by Ms. Cheng. Bosheng Investment is owned as to 56% by Mr. Lin as general partner and 44% by 25 other individuals, each of whom, to the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, is an Independent Third Party. Royal Wind is wholly and beneficially owned by Mr. Qi Xiaoxi (齊孝喜). Mr. Qi Xiaoxi is a substantial shareholder of Qingdao Sansheng Investment Co., Ltd.\* (青島三盛投資有限公司) (being a subsidiary of the Company), and is therefore a connected person of the Company at the subsidiary level under the Listing Rules.

## DEFINITION

“associate”	has the meaning as ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Company”	Sansheng Holdings (Group) Co. Ltd., a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Stock Exchange;
“connected person”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Effective Date”	1 May 2021;
“Framework Agreement”	the commercial property operation and management service framework agreement entered into between the Company and Fujian Boen dated 30 April 2021;
“Fujian Boen”	Fujian Boen Property Group Company Limited* (福建伯恩物業集團有限公司) (formerly known as Boen (Fujian) Property Management Company Limited* (伯恩(福建)物業管理有限公司)), a limited liability company established in the PRC on 25 July 2005;
“Fujian Boen Group”	Fujian Boen and its subsidiaries;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;



“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are independent of the Company and not our connected persons
“Jiamenkou Technology”	Fujian Jiamenkou Internet Technology Company Limited* (福建家門口網絡科技有限責任公司), a limited liability company established in the PRC on 16 February 2012 and is owned as to 49%, 41.1% and 9.9% by Ms. Du, Mr. Lin and Ms. Cheng, respectively;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time);
“Mr. Lin”	Mr. Lin Rongbin (林榮濱), chairman of the Board and an executive Director and the spouse of Ms. Cheng;
“Ms. Cheng”	Ms. Cheng Xuan (程璇), an executive Director and the spouse of Mr. Lin;
“Ms. Du”	Ms. Du Zaozhi (杜早治), the mother of Mr. Lin and the mother-in-law of Ms. Cheng;
“Period”	the period from 24 November 2020 to 31 December 2020 (both days inclusive);
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Services”	the commercial properties operation and management service for certain property development projects of the Group in the PRC pursuant to the terms of the Framework Agreement, including but not limited to: <ul style="list-style-type: none"> <li>– Market promotion including planning and budget of annual promotion activities and execution of events workflow;</li> <li>– Consumer relationship management including provision of concierge services and maintenance of customers’ relationship;</li> </ul>

	<ul style="list-style-type: none"> <li>– Tenant relationship management including the entrance and exit of tenants, management of tenants’ business operations, lease management and maintenance of tenants’ relationships; and</li> <li>– Property management;</li> </ul>
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it in the Listing Rules;
“Yangzhou Business Management”	Yangzhou Sansheng Business Management Company Limited* (揚州三盛商業管理有限責任公司), a limited liability company established in the PRC on 24 September 2013 and has been a direct wholly-owned subsidiary of Fujian Boen since 8 February 2021;
“Yangzhou Real Estate”	Yangzhou Sansheng Real Estate Development Company Limited* (揚州三盛房地產開發有限公司), a limited liability company established in the PRC on 5 March 2012 and has been indirectly owned as to approximately 95% by the Company since 24 November 2020; and
“%”	per cent.

*For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of HK\$1.00 to RMB0.84.*

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

Hong Kong, 30 April 2021

*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. Zhu Hongchao.*

\* *For identification purposes only*