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Sunfonda Group Holdings  
**SUNFONDA GROUP HOLDINGS LIMITED**  
**新豐泰集團控股有限公司**

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

**(Stock Code: 01771)**

**ANNOUNCEMENT**

**DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF  
75% EQUITY INTERESTS IN THE TARGET COMPANY**

The Board hereby announces that Shaanxi Sunfonda Automobile Technology Development Co., Ltd.\* (陝西新豐泰汽車技術開發有限責任公司) (“**Shaanxi Sunfonda ATD**”), an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Xi’an Longbing Real Estate Co., Ltd.\* (西安龍秉置業有限公司) (“**Xi’an Longbing**”) on 10 May 2021, pursuant to which Shaanxi Sunfonda ATD has agreed to purchase, and Xi’an Longbing agreed to dispose of 75% equity interest in Lanzhou Fengtai Rongjia Trading Co. Ltd.\* (蘭州豐泰榮嘉商貿有限公司) (the “**Target Company**”) held by Xi’an Longbing at a consideration of RMB22.50 million. Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules exceeds 5% but less than 25%, the Acquisition contemplated under the Equity Transfer Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

**INTRODUCTION**

The Board hereby announces that Shaanxi Sunfonda ATD, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Xi’an Longbing on 10 May 2021, pursuant to which Shaanxi Sunfonda ATD has agreed to purchase, and Xi’an Longbing agreed to dispose of 75% equity interest in the Target Company held by Xi’an Longbing at a consideration of RMB22.50 million. Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company.

## **EQUITY TRANSFER AGREEMENT**

The principal terms of the Equity Transfer Agreement are as follows:

- Date:** 10 May 2021
- Parties:** Shaanxi Sunfonda ATD, as the purchaser  
Xi'an Longbing, as the seller
- Effective Date:** The Equity Transfer Agreement shall take effect on the date of being chopped with official chops of both parties.
- Target Equity:** 75% equity interests in the Target Company held by Xi'an Longbing
- Consideration and Payment Arrangement:** The consideration for the Acquisition is RMB22.50 million.  
The consideration for the Acquisition shall be paid by Shaanxi Sunfonda ATD within three working days from the date when the registration in respect of change of shareholders of the Target Company is completed by both parties.  
The consideration for the Acquisition was determined upon arm's length negotiations between Shaanxi Sunfonda ATD and Xi'an Longbing with reference to, among other things, (i) the carrying amount of the net assets of the Target Company as at 30 April 2021; (ii) expected gain of the Target Company; and (iii) market conditions, etc.
- Closing:** Shaanxi Sunfonda ATD shall obtain the approval and complete the registration in respect of the equity transfer in accordance with the law immediately after the Equity Transfer Agreement takes effect. Xi'an Longbing shall provide active assistance and cooperation.

## **INFORMATION ON PARTIES TO THE ACQUISITION**

### **Information on Shaanxi Sunfonda ATD**

Shaanxi Sunfonda ATD is a company incorporated in Xi'an, Shaanxi Province, the PRC under the laws of the PRC with limited liability that principally engages in the sales agency, sales of new and used vehicles, sales of whole vehicles and electrical accessories for new energy vehicles, retail and wholesale of auto parts, retail and wholesale of hardware products, sales of chemical products, car decoration supplies and general merchandise, motor vehicle repair and maintenance, used car

dealership, brokerage, appraisal and assessment, information technology consulting services, information consulting services, concurrent insurance agency, etc. As of the date of this announcement, Shaanxi Sunfonda ATD is an indirect wholly-owned subsidiary of the Company.

### **Information on Xi'an Longbing**

Xi'an Longbing is a company incorporated in Xi'an, Shaanxi Province, the PRC under the laws of the PRC with limited liability that principally engages in real estate development and operation. As of the date of this announcement, Xi'an Longbing is owned as to 70% by Xi'an Longhu Real Estate Development Co. Ltd.\* (西安龍湖地產發展有限公司) and 30% by Xi'an Jingzhao Bingyi Enterprise Management Co., Ltd.\* (西安京兆秉義企業管理有限公司). The ultimate beneficial owner of Xi'an Longbing is Longfor Group Holdings Limited (stock code: 960), a company listed on the Stock Exchange. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Xi'an Longbing and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

### **INFORMATION ON THE TARGET COMPANY**

The Target Company is a company incorporated in Lanzhou, Gansu Province, the PRC under the laws of the PRC with limited liability that principally engages in, among others, wholesale and retail of automobile and auto parts, business management consulting and business information consulting, advertising design, production, publishing and agency, design and construction of interior and exterior decoration, real estate development, real estate information consultation, real estate marketing planning and property management. As of the date of this announcement, the Target Company is owned as to 75% by Xi'an Longbing and 25% by Shaanxi Sunfonda ATD.

The Target Company was established in November 2020. Based on the unaudited consolidated financial statements of the Target Company for the four months ended 30 April 2021, the net asset value of the Target Company as at 30 April 2021 was approximately RMB30.0 million.

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

As the capital city of Gansu Province, Lanzhou has huge potential for consumption upgrading and active luxury car market. The Group is committed to further enhancing its sales scale and consolidating its market competitiveness, and pays continuous attention to market opportunities in Lanzhou. After completion of the Acquisition, the Group intends to build another "FUN TIME LANE (豐泰里)" automobile street zone project in Lanzhou further to the "FUN TIME LANE" in Xi'an. The project is positioned as an automobile consumption themed street zone (automobile purchase, repair and maintenance, used car and automobile consumption experience center, etc.) which incorporates a small amount of retail and other business patterns, representing a consumption upgrading model. On the one hand, it provides customers with comprehensive services which integrate automobile consumption, lifestyle and leisure elements, greatly improving customer

experience and satisfaction and supporting the development of its main business; and on the other hand, it further expands the operation network, generates economies of scale and continuously reduces operating costs to create more value for shareholders.

The Directors (including independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement are fair and reasonable, and the Acquisition is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules exceeds 5% but less than 25%, the Acquisition contemplated under the Equity Transfer Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the expressions below have the meanings assigned:

“Acquisition”	the acquisition by Shaanxi Sunfonda ATD of 75% equity interests in the Target Company from Xi’an Longbing subject to and upon the terms and conditions of the Equity Transfer Agreement
“Board”	the board of Directors of the Company
“Company”	Sunfonda Group Holdings Limited (新豐泰集團控股有限公司), an exempted company incorporated in the Cayman Islands on 13 January 2011 with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 10 May 2021 entered into between Xi’an Longbing as the seller and Shaanxi Sunfonda ATD as the purchaser in relation to the Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

“RMB”	Renminbi, the lawful currency of the PRC
“Shaanxi Sunfonda ATD”	Shaanxi Sunfonda Automobile Technology Development Co., Ltd., a company incorporated in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Lanzhou Fengtai Rongjia Trading Co. Ltd., a company incorporated in the PRC with limited liability
“Xi’an Longbing”	Xi’an Longbing Real Estate Co., Ltd., a company incorporated in the PRC with limited liability
“%”	per cent.

\* denotes English translation of the name of a Chinese company, and is provided for identification purposes only.

By Order of the Board  
**Sunfonda Group Holdings Limited**  
**Mr. Wu Tak Lam**  
*Chairman*

10 May 2021

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Wu Tak Lam, Ms. Chiu Man, Mr. Gou Xinfeng and Ms. Chen Wei; and three independent non-executive Directors, namely, Mr. Liu Jie, Mr. Song Tao and Dr. Liu Xiaofeng*