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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)

DISCLOSEABLE TRANSACTION

The Board announces that on 14 July 2021, Shanghai Mangsheng (an indirect wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with Jiangsu Beisheng, pursuant to which Shanghai Mangsheng agreed to acquire, and Jiangsu Beisheng agreed to sell, 40% equity interest in Shanghai Shengque for a consideration of RMB336,702,200.

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

THE EQUITY TRANSFER AGREEMENT

Set out below is a summary of the key terms of the Equity Transfer Agreement:

Date

14 July 2021

Parties

- (i) Shanghai Mangsheng, a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, as the purchaser. Shanghai Mangsheng is principally engaged in investment holding; and
- (ii) Jiangsu Beisheng, a company established under the laws of the PRC with limited liability, as the seller. Jiangsu Beisheng is principally engaged in property development and its ultimate beneficial owners are Zhang Xiaozhen (張小振), Zhu Li (朱莉) and Wang Min (王敏) holding 34%, 33% and 33% equity interest, respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save for the 40% equity interests held by Jiangsu Beisheng in Shanghai Shengque (a 60% owned jointly controlled entity of the Group), Jiangsu Beisheng and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Subject Matter

Pursuant to the Equity Transfer Agreement, Shanghai Mangsheng agreed to acquire, and Jiangsu Beisheng agreed to sell, 40% equity interest in Shanghai Shengque.

Consideration

The consideration of RMB336,702,200 represents the aggregate of the capital contribution made by Jiangsu Beisheng in Shanghai Shengque (RMB240,000,000) with an agreed investment return of RMB96,702,200, which is calculated at the rate of approximately 7% of Jiangsu Beisheng's proportionate interest in the expected property sales of the Property Project. Taking into account the positive pre-sale figures, the Group's strong brand recognition and the well-regarded Wuxi property market, sales performance is expected to be robust. Based on the foregoing and with reference to the sales price of similar properties, it was agreed that the investment return shall be calculated on the basis of an expected property sales of approximately RMB3.453 billion. The consideration shall be payable to Jiangsu Beisheng by Shanghai Shengque within two (2) days upon the receipt of a loan to be advanced by a new investor to the Project Company and thus the consideration will be funded by the said loan from the new investor to the Project Company.

Completion

Upon receipt of the consideration, the parties shall then, within five (5) business days, attend to all necessary filing and registration procedures with the relevant PRC authorities in relation to the transfer of the 40% equity interest in Shanghai Shengque to Shanghai Mangsheng. Completion of the Acquisition shall then take place on the day when all filing and registration procedures with the relevant PRC authorities in relation to the transfer of the 40% equity interest in Shanghai Shengque to Shanghai Mangsheng are completed. Upon completion, Shanghai Shengque will become a wholly-owned subsidiary of the Company.

INFORMATION OF SHANGHAI SHENGQUE

Shanghai Shengque, a company established by the Group on 14 May 2020, has established the Project Company on 8 July 2020 for the sole purpose of the Property Project in Binhu District, Wuxi, PRC. The Project Company holds the Lands located on the southwest side of the intersection of Dachi Road and Dangui Road in Binhu District (濱湖區大池路與丹桂路交叉口西南側) with an area of approximately 52,638.4 sq.m.

Following the capital contribution made by each of Shanghai Mangsheng (RMB360,000,000), Jiangsu Beisheng (RMB240,000,000) and Xingye Trust (RMB1,400,000,000) in Shanghai Shengque, the registered capital of Shanghai Shengque was increased to RMB2,000,000,000 and Shanghai Shengque is registered to be owned as to 18%, 12% and 70% by Shanghai Mangsheng, Jiangsu Beisheng and Xingye Trust, respectively. However, the contractual arrangement of the 70% equity interests investment made by Xingye Trust in Shanghai Shengque is indeed a fixed return debt investment, thus the actual beneficial ownership in the equity interests of Shanghai Shengque is considered to be vested in Shanghai Mangsheng and Jiangsu Beisheng as to 60% and 40%, respectively, and Shanghai Shengque is accounted for as a 60%-owned jointly controlled entity of the Group.

The unaudited financial information of each of Shanghai Shengque and the Project Company for the period from its incorporation to 31 December 2020 was as follows:

	Shanghai Shengque	Project Company
	For the period from its incorporation to/As at 31 December 2020 (RMB\$'000)	
Revenue	–	–
Net losses before taxation	10	5,773
Net losses after taxation	10	5,773
Net assets	599,990	44,227

REASONS FOR AND BENEFITS OF THE ACQUISITION

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.

The Group is in the process of identifying a new investor to partner with in the Property Project, which involves the development of the Lands held by the Project Company in Binhu District, Wuxi. As Wuxi has experienced rapid urban development in recent years and its property market has strong growth potential, the Directors believe that the Property Project is in line with the business strategy of the Group and would allow the Group to increase its market share in the region. The obtaining of full control over Shanghai Shengque will be one of the conditions for the introduction of a new investor to the Project Company, which can further finance the Property Project as well as facilitate the repayment of debt investment made by Xingye Trust and the exit of Jiangsu Beisheng.

Based on the above, the Directors (including the independent non-executive Directors) believe that the terms of the Acquisition (including the consideration) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:

“Acquisition”	the acquisition of 40% equity interest in Shanghai Shengque by Shanghai Mangsheng from Jiangsu Beisheng pursuant to the Equity Transfer Agreement
“Board”	the board of Directors
“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)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Equity Transfer Agreement”	the equity transfer agreement dated 14 July 2021 entered into between Shanghai Mangsheng and Jiangsu Beisheng in relation to the Acquisition
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Jiangsu Beisheng”	Jiangsu Beisheng Enterprise Management Co., Ltd.* (江蘇北盛企業管理有限公司), a company established under the laws of the PRC with limited liability
“Lands”	land parcels located at the southwest side of the intersection of Dachi Road and Dangui Road, Binhu District, Wuxi City (無錫市濱湖區大池路與丹桂路交叉口西南側), with an area of approximately 52,638.4 sq.m., the land use rights to which are owned by the Project Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 Company”	Wuxi Shengbin Real Estate Development Co., Ltd.* (無錫盛濱房地產開發有限公司), a company established under the laws of the PRC with limited liability and a direct wholly-owned subsidiary of Shanghai Shengque
“Property Project”	the project involving the development of the Lands
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Mangsheng”	Shanghai Mangsheng Industrial Development Co., Ltd.* (上海芒盛實業發展有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Shanghai Shengque”	Shanghai Shengque Industrial Development Co., Ltd.* (上海盛闕實業發展有限公司), a company established under the laws of the PRC with limited liability
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Xingye Trust”

Xingye International Trust Co., Ltd.* (興業國際信託有限公司), a company established under the laws of the PRC with limited liability

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

Hong Kong, 14 July 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.

* *The English translation of the Chinese names denoted in this announcement is for illustration purpose only. Should there be any inconsistencies, the Chinese names prevail.*