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**FULLSUN INTERNATIONAL HOLDINGS GROUP CO., LIMITED**

**福晟國際控股集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00627)**

**CHANGE IN INVESTORS OF THE SUBSCRIBER  
TO THE SUBSCRIPTION AGREEMENT IN RELATION TO  
(1) CAPITAL REORGANISATION;  
(2) CHANGE IN BOARD LOT SIZE;  
(3) ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE;  
(4) CREDITORS' SCHEME; AND  
(5) APPLICATION FOR WHITEWASH WAIVER**

Reference is made to the September Announcement and the announcement of the Company dated 2 June 2023.

**CHANGE IN INVESTORS OF THE SUBSCRIBER**

The Company has been informed by the Subscriber that there has been a change in the investors of the Subscriber.

As disclosed in the September Announcement, the investors of the Subscriber were (a) Mr. Hong Kunsen, who invested the sum of HK\$4,500,000 in return for 900 shares of the Subscriber, representing 90% of the total number of issued shares of the Subscriber; (b) Mr. Lam Chi Kin Christopher, who invested the sum of HK\$400,000 in return for 80 shares of the Subscriber, representing 8% of the total number of issued shares of the Subscriber; and (c) Mr. Huang Canjian, who invested the sum of HK\$100,000 in return for 20

shares of the Subscriber, representing 2% of the total number of issued shares of the Subscriber. As at the date of this announcement, the Transaction Loan provided for under the Subscription Agreement has not been drawn down by the Company.

On 31 May 2023, Grateful Heart invested the sum of HK\$20,000,000 in return for 4,000 shares of the Subscriber, representing 80% of the total number of issued shares of the Subscriber. On 5 June 2023, CIS Investments acquired 900, 80 and 20 shares of the Subscriber from Mr. Hong Kunsen, Mr. Lam Chi Kin Christopher and Mr. Huang Canjian at the consideration of HK\$4,500,000, HK\$400,000 and HK\$100,000, respectively. As such, the Previous Investors no longer have any interest in the Subscriber and as at the date of this announcement, the investors of the Subscriber are Grateful Heart, holding 80% of the total number of issued shares of the Subscriber, and CIS Investments, holding 20% of the total number of issued shares of the Subscriber.

### **Reasons for the change in investors of the Subscriber**

At the meeting of the Creditors held on 19 May 2023, the resolution to approve the Scheme was duly passed. As such, pursuant to the fund subscription form dated 12 August 2022 given by Mr. Hong Kunsen to the Subscriber, on 25 May 2023, the Subscriber served a notice to make a drawdown on Mr. Hong Kunsen's further investment amount of HK\$200,000,000 in order to satisfy the shortfall between the Consideration of HK\$168,000,000 and the then amount of investment in the Subscriber of HK\$5,000,000. On 29 May 2023, Mr. Hong Kunsen informed the Subscriber that he was unable to provide the further investment amount of HK\$200,000,000 to the Subscriber and that he intended to sell his shares in the Subscriber. The Subscriber, upon learning about Mr. Hong Kunsen's situation, has promptly searched for new investors in order to satisfy the shortfall between the Consideration and the amount of investment in the Subscriber. As a result, Grateful Heart and CIS Investments, which are interested in investing in the Company because of their positive view regarding the Company's business operations and the property development industry in the PRC, have agreed to become the new investors of the Subscriber in the place of the Previous Investors.

### **Information on the Subscriber**

The Subscriber is a sub-fund of CIS FUND OFC, an open-ended fund company with variable share capital incorporated in Hong Kong with an investment fund mandate to invest in listed and/or unlisted equity and/or debts or real estates or foreign currencies or commodities or insurance policies or funds, futures, options, derivatives of any assets or digital assets or other interests or assets. As at the date of this announcement, the Subscriber has a total of 5,000 issued shares. The Subscriber does not have a general partner. Upon Completion, CIS SAM, being the investment manager of the Subscriber, will be in control of the voting rights attached to the Subscription Shares.

## **Information on the new investors of the Subscriber**

As at the date of this announcement, the investors of the Subscriber are (a) Grateful Heart, holding 80% of the total number of issued shares of the Subscriber; and (b) CIS Investments, holding 20% of the total number of issued shares of the Subscriber.

Grateful Heart is an investment holding company incorporated in the British Virgin Islands with limited liability and as at the date of this announcement is held as to 70% by Mr. Kenichi Yanase and 30% by Dr. Hiroshi Kaneko. The sole director of Grateful Heart is Dr. Hiroshi Kaneko. Dr. Hiroshi Kaneko was introduced to CIS SAM in March 2023 through an intermediary for CIS SAM's account opening service and investment opportunities. In May 2023, the opportunity to invest in the Company was presented by CIS SAM to Mr. Kenichi Yanase through Dr. Hiroshi Kaneko and they decided to invest in the Company through Grateful Heart. Grateful Heart and CIS SAM and their respective beneficial owners are independent of the Company and its connected persons.

As at the date of this announcement, Grateful Heart and its beneficial owners are parties acting in concert with the Subscriber, CIS Investments, CIS SAM and CIS Group Limited.

Mr. Kenichi Yanase is currently the chairman of Kyosei Bank Co.\* (共生バンク株式会社), and is responsible for overseeing its daily operation and strategic planning. He has also been serving as its chief executive officer since January 2012. Dr. Hiroshi Kaneko has been engaged in comprehensive utilisation of environmental friendly materials and international trade and is currently a vice president and chief financial officer of Kyosei-Bank Co. and is mainly responsible for overseeing the financial aspects of new business development.

CIS Investments is an investment holding company incorporated in Hong Kong with limited liability and, as at the date of this announcement, a wholly owned subsidiary of CIS Group Limited. CIS Group Limited is an investment holding company with a number of Hong Kong incorporated subsidiaries, the first of which was incorporated in 2007, and which hold SFC, insurance authority and money lending licenses for the provision of funds, securities and insurance services in Hong Kong and are engaged in the provision of wealth management services for mid to high-end clients and institutional clients in Hong Kong and the Asia-Pacific region. The ultimate controlling shareholder of CIS Investments is Ms. Kan King Yee Karen. The directors of CIS Investments are Mr. Chu Wai Leung and Mr. Chung Ho Wai Alan. CIS Investments and CIS SAM are both wholly owned subsidiaries of CIS Group Limited.

As at the date of this announcement, each of Grateful Heart, Mr. Kenichi Yanase, Dr. Hiroshi Kaneko and CIS Investments does not hold any Shares and is an Independent Third Party.

## **INFORMATION REQUIRED UNDER THE TAKEOVERS CODE**

The Subscriber and CIS SAM have confirmed that as at the date of this announcement, none of the Subscriber, CIS SAM nor any person acting in concert with any one of them (including Grateful Heart, Mr. Kenichi Yanase, Dr Hiroshi Kaneko, CIS Investments and CIS Group Limited):

- (a) owns or has control or direction over any voting right in or rights over any Shares, outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of Shares nor has entered into any outstanding derivative in respect of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (b) has received any irrevocable commitment from any Independent Shareholders as to whether they will vote for or against the resolution approving the Restructuring Transactions and the Whitewash Waiver;
- (c) has any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) with any other persons in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or of the Subscriber which might be material to the Restructuring Transactions and the Whitewash Waiver;
- (d) save for the Subscription Agreement, has any agreements or arrangements to which it is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Restructuring Transactions and the Whitewash Waiver; and
- (e) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

The Subscriber and CIS SAM have confirmed that save for the Subscription Agreement, none of the Subscriber, CIS SAM nor any person acting in concert with any one of them (including Grateful Heart, Mr. Kenichi Yanase, Dr Hiroshi Kaneko, CIS Investments and CIS Group Limited) has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of, voting rights in the Company in the six months prior to 13 May 2022, being the date of the 13 May 2022 Announcement and up to the date of this announcement.

The Subscriber and CIS SAM have indicated to the Company that save for the Subscription Agreement and any arrangement to facilitate the Placing Down, none of the Subscriber, CIS SAM nor any person acting in concert with any of them (including Grateful Heart, Mr. Kenichi Yanase, Dr Hiroshi Kaneko, CIS Investments and CIS Group Limited) has or will make any acquisitions or disposals of voting rights in the Company in the period between 13 May 2022, being the date of the 13 May 2022 Announcement, and Completion.

In addition, the Company, the Subscriber and CIS SAM confirm that as at the date of this announcement, (i) apart from the Consideration, there is no other consideration, compensation or benefit in whatever form that has been or will be paid by the Subscriber, CIS SAM or parties in acting in concert with any of them (including Grateful Heart, Mr. Kenichi Yanase, Dr Hiroshi Kaneko, CIS Investments and CIS Group Limited) to the Company in connection with the Restructuring Transactions and the Whitewash Waiver; (ii) apart from the Subscription Agreement and the Finder's Fee Agreement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Subscriber, CIS SAM or any party acting in concert with any of them (including Grateful Heart, Mr. Kenichi Yanase, Dr Hiroshi Kaneko, CIS Investments and CIS Group Limited) on the one hand, and the Company on the other hand; and (iii) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) the Subscriber, CIS SAM or parties acting in concert with any of them (including Grateful Heart, Mr. Kenichi Yanase, Dr Hiroshi Kaneko, CIS Investments and CIS Group Limited); or (b) the Company, its subsidiaries or associated companies.

## **IMPLICATIONS UNDER THE TAKEOVERS CODE**

As at the date of this announcement, the Subscriber, CIS SAM and parties acting in concert with any of them (including Grateful Heart, Mr. Kenichi Yanase, Dr Hiroshi Kaneko, CIS Investments and CIS Group Limited) are not interested in any Shares. Immediately after the Capital Reorganisation becoming effective and immediately after Completion, the Subscriber will be interested in 1,307,019,402 New Shares, representing approximately 92% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares in full (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than as a result of the Capital Reorganisation and the Subscription) and CIS SAM will be in control of the voting rights of the Company. As such, the Subscriber and CIS SAM would be required to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Subscriber, CIS SAM and parties acting in concert with any of them (including Grateful Heart, Mr. Kenichi Yanase, Dr Hiroshi Kaneko, CIS Investments and CIS Group Limited) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

An application will be made by the Subscriber and CIS SAM to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the SGM by way of poll. Under the Takeovers Code, the resolution(s) in relation to the Whitewash Waiver shall be approved by at least 75% of the independent votes that are cast either in person or by proxy by the Independent Shareholders at the SGM by way of poll and the Restructuring Transactions would be subject to the approval by more than 50% of the Independent Shareholders at the SGM by way of poll. The Executive may or may not grant the Whitewash Waiver. As it is a condition precedent to Completion in the Subscription Agreement that the Whitewash Waiver is granted by the Executive, the Subscription will not proceed if the Whitewash Waiver is not granted by the Executive and approved by the Independent Shareholders at the SGM.

As at the date of this announcement, the Company does not believe that the Restructuring Transactions give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). Should a concern arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Circular. The Company notes that the Executive may not grant the Whitewash Waiver if the Restructuring Transactions do not comply with other applicable rules and regulations.

## **FINANCIAL RESOURCES TO SATISFY THE CONSIDERATION**

The investment amount of HK\$25,000,000 invested in the Subscriber by Grateful Heart and CIS Investments are in readily available funds, funded by the respective investor's own internal resources, and are not subject to any encumbrances.

Pursuant to an irrevocable letter of undertaking given by Grateful Heart, Mr. Kenichi Yanase and Dr. Hiroshi Kaneko in favour of the Subscriber and CIS SAM dated 2 June 2023, Grateful Heart has agreed to invest a further sum of not less than HK\$200,000,000 in the Subscriber in return for additional shares in the Subscriber, thereby increasing Grateful Heart's shareholding interest in the Subscriber after such investment is made, and has provided to the Subscriber a bank statement dated 27 May 2023 showing that financial resources of not less than HK\$200,000,000 in a bank account in Hong Kong in the name of Grateful Heart, which is not subject to any form of encumbrance, for the purpose of satisfying the further investment sum. Grateful Heart has undertaken that such deposit shall only be utilised to satisfy call(s) of contribution issued by the Subscriber, which will be released to the Subscriber conditional on (a) the Specific Mandate having been obtained at

the SGM for the allotment and issue of the Subscription Shares; and (b) the notice of call for contribution having been issued by the Subscriber to Grateful Heart for the purpose of settlement of the Consideration. If such conditions have not been satisfied on or before 31 August 2023 or other date as agreed by Grateful Heart, Mr. Kenichi Yanase, Dr. Hiroshi Kaneko, the Subscriber and CIS SAM in writing, Grateful Heart's obligation of maintaining and releasing the further sum of investment shall be immediately discharged. The Subscriber intends to serve notice of call for contribution to Grateful Heart upon satisfaction of condition (1) of the Subscription Agreement, being that the Petition having been dismissed. The part of further sum of investment as to HK\$143,000,000 will be used to satisfy the shortfall between the Consideration of HK\$168,000,000 and the current amount of investment in the Subscriber of HK\$25,000,000. Pursuant to the irrevocable letter of undertaking dated 2 June 2023, Mr. Kenichi Yanase and Dr. Hiroshi Kaneko have also undertaken to (i) jointly and severally guarantee the due performance of Grateful Heart of its obligations under such letter of undertaking; and (ii) procure that Grateful Heart will cooperate and support the Subscriber to complete the Subscription.

Save as disclosed in this announcement and the announcements of the Company dated 3 October 2022, 3 November 2022, 2 December 2022, 6 December 2022, 18 December 2022, 5 January 2023, 3 February 2023, 3 March 2023, 23 March 2023, 3 April 2023, 14 April 2023, 27 April 2023, 3 May 2023, 19 May 2023, 2 June 2023 and 5 June 2023, there are no other update(s) and/or amendment(s) to the disclosure under the September Announcement.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, terms defined in the September Announcement have the same meanings when used in this announcement, and in addition, the following expressions have the meanings set out below unless the context requires otherwise.

“CIS Investments”	CIS Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of CIS Group Limited, the ultimate controlling shareholder of which is Ms. Kan King Yee Karen
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“Grateful Heart”	Grateful Heart Inc., a company incorporated in the British Virgin Islands with limited liability, the ultimate beneficial owners of which are Mr. Kenichi Yanase as to 70% and Dr. Hiroshi Kaneko as to 30%
“Independent Shareholder(s)”	Shareholder(s) other than: (i) the Subscriber, CIS SAM and associates; (ii) any parties acting in concert with the Subscriber and CIS SAM (including Grateful Heart, Mr. Kenichi Yanase, Dr Hiroshi Kaneko, CIS Investments and CIS Group Limited); (iii) the Shareholders who are involved in or interested in the Restructuring Transactions and/or the Whitewash Waiver (including Tongda Enterprises Limited and its ultimate beneficial owner, Mr. Pan); and (iv) those who are required to abstain from voting at the SGM to consider and approve, among others, the Restructuring Transactions and the Whitewash Waiver
“Previous Investors”	collectively, Mr. Hong Kunsen, Mr. Lam Chi Kin Christopher and Mr. Huang Canjian
“September Announcement”	the announcement of the Company dated 13 September 2022 in relation to, among other things, the Restructuring Transactions and the Whitewash Waiver
“Subscription Agreement”	the conditional subscription agreement dated 11 July 2022 entered into between the Company and the Subscriber in respect of, among others, the Subscription (as supplemented and amended by a supplemental agreement dated 9 September 2022 entered into between the Company and the Subscriber, a second supplemental agreement dated 3 March 2023 entered into between the Company and the Subscriber and a third supplemental agreement dated 2 June 2023 entered into between the Company and the Subscriber)



“Whitewash Waiver”

a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Subscriber and CIS SAM to make a mandatory general offer for all of the Shares not already owned or agreed to be acquired by the Subscriber, CIS SAM and any parties acting in concert with any of them (including Grateful Heart, Mr. Kenichi Yanase, Dr. Hiroshi Kaneko, CIS Investments and CIS Group Limited) which would otherwise arise as a result of Completion

By order of the Board

**Fullsun International Holdings Group Co., Limited**

**Pan Haoran**

*Executive Director and Chief Executive Officer*

Hong Kong, 12 June 2023

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Pan Haoran and Mr. Li Jinrong and three independent non-executive Directors, namely Mr. Kong Tat Yee, Mr. Yau Pak Yue and Mr. Zheng Zhen.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

\* *for identification purpose only*