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**碧生源控股有限公司**

**BESUNYEN HOLDINGS COMPANY LIMITED**

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

**(Stock Code: 926)**

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF THE TARGET PROPERTIES**

**I. INTRODUCTION**

The Board hereby announces that on 29 November 2021 (after trading hours), the Vendor (being an indirect wholly-owned subsidiary of the Company) and the Purchasers entered into the Agreement of Intent in relation to the Disposal of the Target Properties at a consideration of RMB56 million (inclusive of value-added tax), which shall be fully settled by the Purchasers in cash.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchasers are Independent Third Parties who are independent of the Company and its connected persons.

**II. AGREEMENT OF INTENT**

The major terms of the Agreement of Intent are as follows:

**Date**

29 November 2021

**Disposal**

In accordance with the Agreement of Intent, the Vendor shall dispose of the Target Properties to the Purchasers.

## **Consideration and Payment**

The Consideration amounting to RMB56 million (inclusive of value-added tax) was determined after arm's length negotiation by both parties hereto with reference to the unaudited net book value of the Target Properties of approximately RMB50.97 million as at 31 October 2021 and the prevailing open market value of comparable properties in proximity.

The Consideration shall be settled by way of cash in the following manner:

- (1) on the date of the Agreement of Intent being entered into and becoming effective, the Purchasers shall pay a deposit of RMB2 million to the Vendor. Upon the formal purchase and sales agreement being entered into and becoming effective, the deposit shall be transformed as the first portion of the Consideration (the "**Deposit**");
- (2) on the date of signing the formal purchase and sales agreement, the Purchasers shall pay the second portion of the Consideration amounting to RMB8 million to the Vendor;
- (3) of the third portion of the Consideration, RMB28 million shall be directly released to the Vendor by such lending bank as to which the Purchasers apply for the loan in respect of the Disposal (the "**Purchasers' Loan**"), and the remaining balance of RMB18 million and the uncovered portion of the Purchasers' Loan (in the case of the actual amount of such loan being less than RMB28 million) shall be made up by the Purchasers in cash and paid in full to the escrow account set up by both parties prior to the transfer of the Target Properties.

Where the Purchasers fail to pay any portion in full to the Vendor as scheduled, the Vendor shall be entitled to unilaterally terminate the Agreement of Intent and the formal purchase and sales agreement without any obligations incurred therefrom, and the Deposit shall be non-refundable (if any), and the Purchasers, however, agree to entrust the Vendor to re-change the registration of the Target Properties to the name of the Vendor to the extent that the transfer of the Target Properties is completed by then. Where the Vendor fails to enter into the formal purchase and sales agreement and dispose of the Target Properties to the Purchasers under the Agreement of Intent, an amount twice as much as the Deposit shall be refunded to the Purchasers.

## **Other terms**

The parties shall enter into a formal property purchase and sales agreement according to the terms of Agreement of Intent. The Agreement of Intent shall take effect upon the date when the Purchasers and the Vendor affix their signatures.

### **III. INFORMATION ABOUT THE TARGET PROPERTIES**

The Target Properties are comprised of the buildings owned by the Vendor and the land use rights of the land on which the buildings are situated, details of which are as follows:

- (1) Units No. 4201, 4202, 4203, 4204, 4205, 4206, 4207 and 4208 situated on 3000 North Zhongshan Road, Putuo District, Shanghai, with a gross floor area of 1,819.42 square meters; and
- (2) The state-owned land use rights of the land on which the aforesaid buildings are situated (which were acquired by way of grant).

The Target Properties recorded rent income of RMB0.508 million and RMB0 for the years ended 31 December 2019 and 2020, respectively.

### **IV. FINANCIAL IMPACTS OF THE DISPOSAL**

The Disposal is expected to record an unaudited loss of approximately RMB1.77 million, calculation of which is derived from the difference between the net consideration (net of the relevant transactional costs) from the Disposal and the unaudited net book value of the Target Properties amounting to RMB50.97 million as of 31 October 2021. Such amount is an estimate calculated for illustration only, and the accounting treatment of the Disposal shall be subject to further review/audit by the auditors of the Company.

### **V. REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Board believes that the Disposal, if materialised, provides a good opportunity for the Group to realise the value of the Target Properties and to improve its working capital position through the disposal of the Group's non-core assets. The net proceeds from the Disposal are approximately RMB49.63 million (namely the Consideration less related value-added tax expenses and transaction costs). The Group currently intends to apply the net proceeds from the Disposal to satisfy the ongoing development and working capital requirements of the Group's principal business.

In view of the above, the Directors consider that the terms of the Agreement of Intent and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## VI. LISTING RULES IMPLICATIONS

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

## VII. DEFINITIONS

In this announcement, unless otherwise defined or the context otherwise requires, the following terms have the meanings below:

“Agreement of Intent”	the agreement of intent on sale and purchase of the real estate entered into on 29 November 2021 between the Purchasers and the Vendor in relation to the Disposal
“Board”	the board of Directors
“Company”	Besunyen Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the transfer price of Target Properties of RMB56 million (inclusive of value-added tax) payable by the Purchasers to the Vendor in respect of the Disposal in accordance with the terms and conditions of the Agreement of Intent
“Director(s)”	the director(s) of the Company
“Disposal”	disposal of the Target Properties by the Vendor to the Purchasers under the Agreement of Intent
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	person(s) or company(ies) who/which is (are) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited
“Purchasers”	Mr. Dong Yiming and Ms. Dong Yilan, both of whom are citizens of the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Target Properties”	Units No. 4201, 4202, 4203, 4204, 4205, 4206, 4207 and 4208 located at 3000 North Zhongshan Road, Putuo District, Shanghai held by the Vendor and the state-owned land use rights of the land on which the aforesaid buildings are situated (which were acquired by way of grant)
“Vendor”	Shanghai Bisheng Property Management Co., Ltd., a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, which is principally engaged in the housing rental

By order of the Board  
**Besunyen Holdings Company Limited**  
**Zhao Yihong**  
*Chairman and Chief Executive Officer*

Hong Kong, 29 November 2021

*As at the date of this announcement, the executive Directors are Mr. Zhao Yihong (Chairman and Chief Executive Officer) and Ms. Gao Yan (Vice Chairman); the non-executive Director is Mr. Zhuo Fumin; and the independent non-executive Directors are Mr. Ren Guangming, Mr. He Yuanping and Mr. Fu Shula.*