

Unless otherwise defined herein, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus (the “**Prospectus**”) issued by Sunkwan Properties Group Limited (the “**Company**”) dated October 31, 2020.

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This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for any securities of the Company. Potential investors should read the Prospectus carefully for detailed information about the Company and the Global Offering described in this announcement before deciding whether or not to invest in the Offer Shares.

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Sunkwan Properties Group Limited

上坤地產集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6900)

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION, STABILIZATION ACTIONS AND END OF STABILIZATION PERIOD

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been partially exercised by the Sole Global Coordinator (on behalf of the International Underwriters) on December 10, 2020 (after trading hours) in respect of an aggregate of 72,940,000 Shares (the “**Over-allotment Shares**”), representing approximately 14.59% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), to facilitate the return of part of the Shares borrowed under the Stock Borrowing Agreement which were used to cover over-allocations in the International Offering. The Over-allotment Shares will be issued and allotted by the Company at HK\$2.28 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

STABILISATION ACTIONS AND END OF STABILIZATION PERIOD

The Company further announces that the stabilization period in connection with the Global Offering ended on December 10, 2020, being the 30th day after the last day of lodging of applications under the Hong Kong Public Offering. Further information on the stabilization actions undertaken during the stabilization period is set out in this announcement.

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been partially exercised by the Sole Global Coordinator (on behalf of the International Underwriters) on December 10, 2020 (after trading hours) in respect of an aggregate of 72,940,000 Shares, representing approximately 14.59% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) to cover over-allocations in the International Offering. The Over-allotment Shares will be issued and allotted by the Company at HK\$2.28 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering. The Over-allotment Shares will be used to facilitate the return of part of the Shares borrowed by the Stabilizing Manager from YongHeng Holdings Limited under the Stock Borrowing Agreement, which were used to cover over-allocations in the International Offering.

Approval for the listing and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in such Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9 : 00 a.m. on December 15, 2020.

The shareholding structure of the Company immediately before and immediately after the completion of the issue and allotment of the Over-allotment Shares by the Company is as follows:

Shareholders	Immediately before the issue and allotment of the Over-allotment Shares		Immediately after the issue and allotment of the Over-allotment Shares	
	Number of Shares	Percentage of the Company's issued share capital	Number of Shares	Percentage of the Company's issued share capital
YongHeng Holdings Limited	750,075,000	37.50%	750,075,000	36.18%
Ginkgo Gofar Holdings Limited	622,425,000	31.12%	622,425,000	30.03%
Broad Holdings Limited	75,000,000	3.75%	75,000,000	3.62%
Enrich Vast Limited	52,500,000	2.63%	52,500,000	2.53%
Other public shareholders	500,000,000	25.00%	572,940,000	27.64%
Total	<u>2,000,000,000</u>	<u>100%</u>	<u>2,072,940,000</u>	<u>100%</u>

The Company estimates that it will receive additional net proceeds of approximately HK\$161.30 million from the issue of the Over-allotment Shares, after deducting the underwriting commissions, incentive fee, transaction levy and trading fee (as applicable) payable by the Company in relation to the exercise of the Over-allotment Option. The Company intends to apply the additional net proceeds for the same purposes in the same proportions as set out in the section headed “Future Plans and Use of Proceeds — Use of Proceeds” in the Prospectus.

STABILIZATION ACTIONS AND END OF STABILIZATION PERIOD

The Company further announces that the stabilization period in connection with the Global Offering ended on December 10, 2020, being the 30th day after the last day of lodging of applications under the Hong Kong Public Offering.

The stabilization actions undertaken by the Stabilizing Manager, its affiliates, or any person acting for it, on behalf of the Underwriters during the stabilization period were:

- (1) over-allocations of an aggregate of 75,000,000 Shares, representing 15% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option);
- (2) borrowing of an aggregate of 75,000,000 Shares by the Stabilizing Manager from YongHeng Holdings Limited pursuant to the Stock Borrowing Agreement to cover the over-allocations in the International Offering. Such Shares will be returned and redelivered to YongHeng Holdings Limited in accordance with the terms of the Stock Borrowing Agreement;
- (3) successive purchases of an aggregate of 2,060,000 Shares in the price range of HK\$2.22 to HK\$2.28 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) on the market during the stabilization period. The last purchase made by the Stabilizing Manager on the market during the stabilization period was on November 17, 2020 at the price of HK\$2.25 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%); and
- (4) partial exercise of the Over-allotment Option by the Sole Global Coordinator (on behalf of the International Underwriters) in respect of an aggregate of 72,940,000 Shares, representing 14.59% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) to facilitate the return to YongHeng Holdings Limited of part of the Shares borrowed by the Stabilizing Manager as described in paragraph (2) above.

The Company confirms that immediately following the completion of the Global Offering and the partial exercise of the Over-allotment Option, the number of issued Shares in the hands of the public represents at least 25% of the total number of issued Shares and the Company continues to satisfy the minimum percentage prescribed by Rule 8.08(1)(a) of the Listing Rules. No new Shares or securities convertible into equity securities of the Company may be issued within six months from the Listing Date save for the situations set out in Rule 10.08 of the Listing Rules.

By Order of the Board
Sunkwan Properties Group Limited
Zhu Jing
Chairman

Hong Kong, December 10, 2020

As at the date of this announcement, the Board comprises three executive Directors, namely, Ms. Zhu Jing, Ms. Sheng Jianjing and Mr. Yang Zhandong, two non-executive Directors, namely, Mr. Lin Jinfeng and Ms. Lin Zhaohong and three independent non-executive Directors, namely, Mr. Guo Shaomu, Mr. Au Yeung Po Fung and Mr. Zhou Zheren.

This announcement is available for viewing on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.sunkwan.com.cn.