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## **AGILE GROUP HOLDINGS LIMITED**

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

**(Stock Code: 3383)**

### **DISCLOSEABLE TRANSACTIONS IN RELATION TO THE JOINT DEVELOPMENT OF THE PROJECT LAND**

#### **JOINT DEVELOPMENT OF THE PROJECT LAND**

The Board is pleased to announce that on 23 June 2021, the Project Company succeeded in the public auction of the land use rights of the Project Land. Pursuant to the terms of the Project Cooperative Agreement, the JV Partners shall jointly develop the Project Land through the Project Company, which shall be owned as to 51% by Melco Zhongshan and 49% by Zhongshan Yachen. Zhongshan Yachen and Melco Zhongshan shall enjoy the rights and interests of the Project Company and the Project Land in accordance with the terms of the Project Cooperative Agreement, and not in the proportion of their equity interest in the Project Company. The total commitment of Party A towards the Project is expected to amount up to approximately RMB5,650 million, whereby Party A shall contribute to the registered capital of and/or provide financial assistance to the Project Company. The Company shall guarantee the obligations of Party A under the Project Cooperative Agreement in favour of Party B.

On the same day, Zhongshan Agile and Guangzhou Changyuan, each to own 50% equity interest in Zhongshan Yachen, entered into the SPV Cooperative Agreement, pursuant to which Zhongshan Agile and Guangzhou Changyuan agreed to contribute to the registered capital of and/or provide financial assistance to Zhongshan Yachen in proportion to their percentage equity interest in Zhongshan Yachen for the development of the Project. The total commitment of Zhongshan Agile in Zhongshan Yachen shall not exceed the total commitment of Party A towards the Project.

To the best of the Directors' knowledge, information and belief of the Directors, having made all reasonable enquiries, Guangzhou Changyuan, Party B and their ultimate beneficial owners are Independent Third Parties.

#### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the (i) capital contribution and/or financial assistance by Zhongshan Agile to Zhongshan Yachen and (ii) guarantee provided by the Company in favour of Party

B is above 5% but less than 25%, the Transactions constitute discloseable transactions for the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## INTRODUCTION

The Board is pleased to announce that on 23 June 2021, the Project Company succeeded in its bid of the public auction of the land use rights of the Project Land at a consideration of approximately RMB4,000 million (inclusive of deed tax and interests) (the “**Acquisition Price**”) for the development of the Project. Pursuant to the terms of the Project Cooperative Agreement, the JV Partners shall jointly develop the Project Land through the Project Company, which shall be owned as to 51% by Melco Zhongshan and 49% by Zhongshan Yachen.

On the same day, Zhongshan Agile and Guangzhou Changyuan, each to own 50% equity interest in Zhongshan Yachen, entered into the SPV Cooperative Agreement, pursuant to which Zhongshan Agile and Guangzhou Changyuan agreed to contribute to the registered capital of and/or provide financial assistance to Zhongshan Yachen in proportion to their percentage equity interest in Zhongshan Yachen for the development of the Project.

## THE PROJECT AND THE PROJECT LAND

The Project involves the development of mixed-use properties on the Project Land, covering a site area of approximately 504,000 square metres. The Project Land comprises various plots of land that are granted for terms ranging from forty (40) years to seventy (70) years depending on their respective categories of usage.

## THE PROJECT COMPANY

The Project Company has not commenced any substantive business operation since its establishment. The Project Company has not recorded any net profit/loss and its unaudited net asset value is nil as at the date of this announcement.

As the major corporate decisions of the Project Company will require unanimous approval of Zhongshan Yachen and Melco Zhongshan as holders of equity interest in the Project Company, the Project Company will not become a subsidiary of the Company and the financial results and position of the Project Company will not be consolidated into the Company’s financial statements.

## THE PROJECT COOPERATIVE AGREEMENT

The principal terms of the Project Cooperative Agreement are set out below:-

### Date

23 June 2021

### Parties

- (a) Zhongshan Agile;
- (b) Zhongshan Yachen (together with Zhongshan Agile, shall be referred to as “**Party A**”);

(c) Creation Elite; and

(d) Melco Zhongshan (together with Creation Elite, shall be referred to as “**Party B**”).

Zhongshan Agile and Zhongshan Yachen shall be jointly and severally responsible for their obligations under the Project Cooperative Agreement. Creation Elite and Melco Zhongshan shall be jointly and severally responsible for their obligations under the Project Cooperative Agreement.

As informed by Party B, their ultimate beneficial owner is Melco International. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Party B and their ultimate beneficial owners are Independent Third Parties.

### **Subject matter**

Pursuant to the terms of the Project Cooperative Agreement, the Project Company shall be held by Zhongshan Yachen and Melco Zhongshan as to 49% and 51% respectively.

As at the date of this announcement, the registered capital of the Project Company is approximately RMB137 million, of which RMB67 million (representing 48.9% of the total equity interest in the Project Company) is attributable to Zhongshan Yachen and RMB70 million (representing 51.1% equity interest in the Project Company) is attributable to Melco Zhongshan. Pursuant to the terms of the Project Cooperative Agreement, Zhongshan Yachen and Melco Zhongshan will contribute capital to the Project Company in the amounts of approximately RMB783 million and RMB80 million respectively. Upon completion of such capital contributions, the registered capital of the Project Company will be increased to RMB1,000 million. The percentage equity interest of Zhongshan Yachen and Melco Zhongshan in the Project Company will not be in proportion to their capital contributions to the Project Company.

Party B will be responsible for the development of the Theme Park Land, while Party A will be responsible for the development of the Project Land other than the Theme Park Land (“**Non-Theme Park Land**”). The Project Company will establish two (2) separate independent bank accounts for the development of the Theme Park Land and Non-Theme Park Land. Zhongshan Yachen and Melco Zhongshan shall enjoy the rights and interests of the Project Company and the Project Land in accordance with the terms of the Project Cooperative Agreement, and not in the proportion of their equity interest in the Project Company.

Party A shall be responsible for all obligations for the development of the Non-Theme Park Land in accordance with the terms and conditions of the Project Performance Supervision Agreement, and enjoy all rights and benefits from the development of the Non-Theme Park Land and sale of properties on the Non-Theme Park Land (other than the benefits of certain residential properties with a total saleable area of approximately 5,000 square metres therein to be agreed between the JV Partners which shall belong to Party B (“**Apportioned Properties**”)). On the other hand, Party B shall be responsible for all obligations for the development of the Theme Park Land in accordance with the terms and conditions of the Project Performance Supervision Agreement, and enjoy all rights and benefits from the development of the Theme Park Land and the benefits of the Apportioned Properties.

In addition, each JV Partner shall pay to the other any tax savings it enjoyed from the development and sale of its part of the Project Land derived from applying the corresponding tax loss suffered by the other JV Partner during the term of the Project.

## **Total commitment**

It is expected that the JV Partners will contribute by way of capital contribution and/or provide financial assistance to the Project (including but not limited to shareholders' loans) as follows:

- (a) the total commitment of Party A in the Project shall amount to approximately RMB5,650 million, which includes (i) RMB3,850 million (being Party A's proportion of the Acquisition Price), (ii) RMB350 million (being the estimated development costs of the Non-Theme Park Land), (iii) RMB1,450 million (being Party A's proportion of the estimated development costs in respect of the Theme Park Land);
- (b) the total commitment of Party B in the Project shall be not less than RMB400 million, which includes (i) RMB150 million (being Party B's proportion of the Acquisition Price), and (ii) RMB250 million (being Party B's proportion of the estimated development costs in respect of the Project Land (with priority given to the development of the Theme Park Land)). In the event the cash contribution on the development costs of the Theme Park Land exceeds RMB1,450 million or part of the RMB1,450 million contributed by Party A is not recognised by the relevant government authority as investment into the Theme Park Land, the excess amount or the amount not recognised shall be respectively borne by Party B or Melco Zhongshan. Party B shall also be responsible for funding the ongoing operational costs of the theme park to be constructed on the Theme Park Land.

The total commitment was determined after arm's length negotiations between the Parties, taking into account, among other factors, the funding needs of the Project. The Group will finance its commitment towards the Project from its own resources.

## **Management of the Project Company**

Pursuant to the terms of the Project Cooperative Agreement, Zhongshan Yachen and Melco Zhongshan shall hold 50% of the votes at meetings of holders of equity interest in the Project Company.

The board of directors of the Project Company shall consist of four (4) directors and each of Zhongshan Yachen and Melco Zhongshan shall have the right to nominate two (2) directors. The chairman of the board of directors of the Project Company shall be nominated by Melco Zhongshan.

If the relevant government authorities approve the holding of the title to, and development of, the Theme Park Land and the Non-Theme Park Land through separate wholly-owned subsidiaries of the Project Company, the JV Partners shall procure the Project Company to set up wholly-owned subsidiaries to hold the title to the Theme Park Land and the Non-Theme Park Land separately and develop the respective parts of the Project Land separately. In such event, the relevant JV Partner shall appoint all directors of such wholly-owned subsidiary responsible for development of the relevant part of the Project Land.

## **Guarantee**

Each of Melco International and the Company shall issue a letter of guarantee to guarantee the obligations of Party B and Party A under the Project Cooperative Agreement in favour of Party A and Party B respectively within five (5) days from the date of acquisition of the Project Land by the Project Company.

## **Termination**

In the event the relevant government authorities approve the transfer of the real estate title certificate in respect of the Theme Park Land from the Project Company to the holding company or an associated company of Party B and Party B's exit from the Project Company, Party B may give notice to Party A of its desire to exit the Project Company. In such event, the JV Partners shall procure the Project Company to transfer the title to the Theme Park Land and interest in the Apportioned Properties to such holding company or associated company of Party B, in consideration of Party B transferring all equity interest, and shareholder's loan, due from the Project Company, to Party A.

## **THE SPV COOPERATIVE AGREEMENT**

The principal terms of the SPV Cooperative Agreement are set out below:-

### **Date**

23 June 2021

### **Parties**

- (a) Zhongshan Agile;
- (b) Guangzhou Changyuan; and
- (c) Zhongshan Yachen.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Guangzhou Changyuan and its ultimate beneficial owners are Independent Third Parties.

### **Subject matter**

Pursuant to the terms of the SPV Cooperative Agreement, Zhongshan Agile and Guangzhou Changyuan shall each own 50% equity interest in Zhongshan Yachen, and Zhongshan Agile and Guangzhou Changyuan shall equally contribute to the registered capital of and/or provide financial assistance to Zhongshan Yachen for the payment of Zhongshan Yachen's proportion of the land acquisition costs and development costs of the Project Land to the Project Company. As such, the total commitment of Zhongshan Agile in Zhongshan Yachen shall not exceed the total commitment of Party A in the Project, which shall be RMB5,650 million. Such capital contribution and/or provision of financial assistance shall be in proportion to Zhongshan Agile's percentage equity interest in Zhongshan Yachen.

In the event Guangzhou Changyuan fails to contribute to the registered capital of and/or provide financial assistance to Zhongshan Yachen in proportion to its percentage equity interest in Zhongshan Yachen, Zhongshan Agile shall be entitled to contribute to the registered capital of and/or provide financial assistance to Zhongshan Yachen on behalf of Guangzhou Changyuan and in excess of its percentage equity interest in Zhongshan Yachen. Liquidated damages at the daily rate of 0.01% and interest at the rate of 24% per annum shall be payable by Guangzhou Changyuan to Zhongshan Agile. In addition, Guangzhou Changyuan's rights and benefits in the Project Company as a holder of its equity interest will be suspended.

If Guangzhou Changyuan contributed to the registered capital of and/or provided financial assistance to Zhongshan Yachen in proportion to its percentage equity interest in Zhongshan Yachen within fifteen (15) days from the date of capital contribution and/or provision of financial assistance requested by Zhongshan Yachen, the suspension will be lifted.

If Guangzhou Changyuan failed to contribute to the registered capital of and/or provide financial assistance to Zhongshan Yachen beyond such fifteen (15) days period, the percentage equity interest of Zhongshan Agile and Guangzhou Changyuan in Zhongshan Yachen shall be adjusted according to their respective amounts contributed.

The distributable profit received by Zhongshan Yachen from the Project Company shall be distributed to Zhongshan Agile and Guangzhou Changyuan in proportion to their percentage equity interest in Zhongshan Yachen.

### **Management of Zhongshan Yachen**

Pursuant to the terms of the SPV Cooperative Agreement, Zhongshan Agile and Guangzhou Changyuan shall hold the votes at meetings of holders of equity interest in Zhongshan Yachen in proportion to their equity interest in Zhongshan Yachen.

The board of directors of Zhongshan Yachen shall consist of three (3) directors, two (2) of whom shall be nominated by Zhongshan Agile and the remaining director shall be nominated by Guangzhou Changyuan. The chairman of the board of directors of the Zhongshan Yachen shall be nominated by Zhongshan Agile.

As the major corporate decisions of Zhongshan Yachen will require the approval from holders of equity interest holding more than two-thirds of the voting rights of Zhongshan Yachen, Zhongshan Yachen will not become a subsidiary of the Company and the financial results and position of Zhongshan Yachen will not be consolidated into the Company's financial statements.

### **Guarantee and pledge**

Guangzhou Changyuan shall pledge its shares in Zhongshan Yachen in favour of Zhongshan Agile to guarantee its obligations under the SPV Cooperative Agreement and its obligations under the Project Cooperative Agreement through Zhongshan Yachen in proportion to its percentage equity interest in Zhongshan Yachen.

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

The cooperation under the Project Cooperative Agreement and SPV Cooperative Agreement allows the Group, Guangzhou Changyuan and Melco International to share the resources and complement the strengths of each other, which is beneficial to the development of the Project Land.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Transactions are fair and reasonable, on normal commercial terms, and in the interests of the Group and the Shareholders as a whole.

## **GENERAL INFORMATION ABOUT THE GROUP AND ALL OTHER PARTIES**

### **Information of the Group**

The Group is one of the leading property developers in the PRC and is principally engaged in the development of large-scale mixed-use property projects, with extensive presence in the businesses of property management, environmental protection, construction, real estate construction management and commercial.

### **Information of Zhongshan Agile**

Zhongshan Agile is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. Its principal business is property development.

### **Information of Guangzhou Changyuan**

Guangzhou Changyuan is a company established in the PRC with limited liability and owned as to 84% by 高昂 (Gao Ang) and 16% by 徐煥清 (Xu Huan Qing), both being Independent Third Parties. Its principal business is provision of business services.

### **Information of Zhongshan Yachen**

Zhongshan Yachen is a company established in the PRC with limited liability and owned as to 50% by each of Zhongshan Agile and Guangzhou Changyuan. Its principal businesses are business management, property development and investment holding.

Zhongshan Yachen has not commenced any substantive business operation since its establishment. Zhongshan Yachen has not recorded any net profit/loss and its unaudited net asset value is nil as at the date of this announcement.

### **Information of Creation Elite**

Creation Elite is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Melco International. Its nature of business is investment holding.

### **Information of Melco Zhongshan**

Melco Zhongshan is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Melco International. Its principal business is corporate management and consultancy, and investment with own funds.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the (i) capital contribution and/or financial assistance by Zhongshan Agile to Zhongshan Yachen and (ii) guarantee provided by the Company in favour of Party B is above 5% but less than 25%, the Transactions constitute discloseable transactions for the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Acquisition Price”	has the meaning ascribed to it under the section headed “Introduction” in this announcement;
“Apportioned Properties”	has the meaning ascribed to it under the section headed “The Project Cooperative Agreement - Subject matter” in this announcement;
“Board”	the board of Directors of the Company;
“Company”	Agile Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person”	has the meaning ascribed to it in the Listing Rules;
“Creation Elite”	Creation Elite Limited, a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of Melco International;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Guangzhou Changyuan”	廣州長源商業管理有限公司 (Guangzhou Changyuan Business Management Co., Ltd.***), a company established in the PRC with limited liability;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	person(s) or company(ies) who/which is (are) independent of the Company and its connected person(s);
“JV Partners”	Party A and Party B;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;
“Melco International”	Melco International Development Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 200);



“Melco Zhongshan”	新濠（中山）企業管理有限公司 (Melco (Zhongshan) Business Management Co., Ltd.***), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of Melco International;
“Non-Theme Park Land”	has the meaning ascribed to it under the section headed “The Project Cooperative Agreement - Subject matter” in this announcement;
“Parties”	Party A, Party B and the Project Company, and a “Party” shall mean each and any one of them as the context may require;
“Party A”	has the meaning ascribed to it under the section headed “The Project Cooperative Agreement - Parties” in this announcement;
“Party B”	has the meaning ascribed to it under the section headed “The Project Cooperative Agreement - Parties” in this announcement;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Project”	the development of mixed-use properties on the Project Land by the JV Partners through the Project Company;
“Project Company”	中山新濠雅創房地產開發有限公司 (Zhongshan Melco Yachuang Real Estate Development Co., Ltd.***), a company established in the PRC with limited liability;
“Project Cooperative Agreement”	the cooperative agreement for the joint development of the Project by the Project Company as agreed in writing on 23 June 2021 among the JV Partners and the Project Company;
“Project Land”	中國廣東省中山市南朗鎮（翠亨新區起步區）西四圍 (Xisiwei, Nanlang Town (Qibu District, Cuiheng New District), Zhongshan City, Guangdong Province, the PRC***) covering a site area of approximately 504,000 square metres;
“Project Performance Supervision Agreement”	the agreement to be entered into by the Project Company and relevant government authority in respect of supervision of the performance of the Project Company’s obligations relating to the development of the Project Land;

“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of HK\$0.10 each;
“Shareholder(s)”	shareholder(s) of the Company;
“SPV Cooperative Agreement”	the cooperative agreement dated 23 June 2021 and entered into by Zhongshan Agile, Guangzhou Changyuan and Zhongshan Yachen;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Theme Park Land”	the part of the Project Land on which a theme park will be constructed, covering a site area of approximately 94,253 square metres;
“Transactions”	the transactions contemplated under the Project Cooperative Agreement and SPV Cooperative Agreement;
“Zhongshan Agile”	中山雅居樂雍景園房地產有限公司 (Zhongshan Agile Majestic Garden Real Estate Co., Ltd.***), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company;
“Zhongshan Yachen”	中山雅辰企業管理有限公司 (Zhongshan Yachen Business Management Co., Ltd.***), a company established in the PRC with limited liability; and
“%”	per cent.
***	<i>for translation and identification purposes only as there is no official English translation or name</i>

By Order of the Board  
**Agile Group Holdings Limited**  
**CHEUNG Lap Kei**  
*Company Secretary*

Hong Kong, 23 June 2021

*As at the date of this announcement, the Board comprises twelve members, being Mr. Chen Zhuo Lin\* (Chairman and President), Mr. Chan Cheuk Yin\*\* (Vice Chairperson), Madam Luk Sin Fong, Fion\*\* (Vice Chairperson), Mr. Chan Cheuk Hung\*, Mr. Huang Fengchao\*, Mr. Chen Zhongqi\*, Mr. Chan Cheuk Hei\*\*, Mr. Chan Cheuk Nam\*\*, Dr. Cheng Hon Kwan<sup>#</sup>, Mr. Kwong Che Keung, Gordon<sup>#</sup>, Mr. Hui Chiu Chung, Stephen<sup>#</sup> and Mr. Wong Shiu Hoi, Peter<sup>#</sup>.*

\* *Executive Directors*

\*\* *Non-executive Directors*

# *Independent Non-executive Directors*