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AGILE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3383)

DISCLOSEABLE TRANSACTION DISPOSAL OF EQUITY INTEREST IN A JOINT VENTURE COMPANY

THE DISPOSAL

The Board is pleased to announce that on 21 January 2022 after trading hours, the Vendor, being an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Equity Interest at the total consideration of RMB1,843,868,800 (subject to adjustment).

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal is above 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules, but is exempted from the requirement of shareholders' approval.

The Board is pleased to announce that on 21 January 2022 after trading hours, the Vendor, being an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Equity Interest at the total consideration of RMB1,843,868,800 (subject to adjustment) ("**Consideration**").

THE SALE AND PURCHASE AGREEMENT

Date

21 January 2022

Parties

- (a) the Vendor; and
- (b) the Purchaser.

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

Subject matter

The Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Equity Interest (free from any encumbrances), which represents approximately 26.66% of the equity interest in the JV Company.

On Completion, the Purchaser shall assume from the Vendor all obligations to repay the Loan to the JV Company.

The JV Company is the 100% holding company of Guangzhou Lihe Property Management and Guangzhou Shijia respectively. The Guangzhou Lihe Group owns the land use rights over the Property, details of which are set out in the paragraph headed "Information of Guangzhou Lihe Group" below.

Completion

Completion shall take place on the second working day after the date of fulfilment of the following conditions:

- (a) the Purchaser obtaining all necessary authorisations and approvals from its superior authority in the PRC for the transactions contemplated under the Sale and Purchase Agreement on or before 20 February 2022 (or any other date to be mutually agreed between the Vendor and the Purchaser) in accordance with the procedures for State Owned Assets transactions; and
- (b) all necessary applications, documentation and registration procedures regarding the transfer of the Equity Interest have been duly completed and/or filed by the Vendor and the Purchaser with the relevant local Administration for Industry and Commerce in the PRC.

On the date of Completion:

- (1) all documents, licences, company chops and property of Guangzhou Lihe Group that are in possession of the Vendor shall be handed over to the Purchaser; and
- (2) all necessary handover arrangements relating to Guangzhou Lihe Group have been made between the Vendor with the Purchaser, including but not limited to the resignation of all officers and employees of each member of Guangzhou Lihe Group nominated by the Vendor and corresponding amendments of Articles for such changes of the JV Company shall be approved and adopted.

In addition, the Vendor and the Purchaser will cooperate to obtain the release of all guarantees given by the Vendor prior to Completion for liabilities of the JV Company within fifteen (15) days after the transfer of Equity Interest from the Vendor to the Purchaser.

Consideration

The consideration of the Disposal is initially agreed to be RMB1,843,868,800 (subject to adjustment) (the “**Consideration**”), which shall be settled as follows:

- (a) the Purchaser shall pay RMB1,380,000,000 in cash to the Vendor upon Completion;
- (b) as part of the Consideration at Completion, the Purchaser will assume the obligations to repay the loan due from the Vendor to the JV Company in the amount of RMB463,868,800 (as shown in the management accounts of the JV Company as at 31 December 2021) (the “**Loan**”) effective from the date of Completion, such that as from the date of Completion the Vendor will be discharged and released from all repayment obligations under the Loan, and the Consideration will be deemed to be settled on a dollar for dollar basis, against the Loan amount, the repayment obligations of which are assumed by the Purchaser.

The Consideration may be adjusted in the following manner:

- (1) if there are any distributions from the JV Company to the Vendor as approved by the holders of equity interests in the JV Company before Completion, the Consideration shall be reduced by the actual amount of such distribution received by the Vendor;
- (2) if Completion takes place on or before noon on 28 January 2022, the Consideration (subject to any deductions made in accordance with paragraph (1) above) shall be reduced by RMB10,000,000; and
- (3) the final Loan amount will be determined from the audited financial statements of the JV Company for the financial period ended 31 December 2021. The consideration shall be adjusted accordingly with reference to the final Loan amount (if necessary).

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, amongst others, the unaudited consolidated net asset value of Guangzhou Lihe Group as at 31 December 2021 and the market value and potential of the Property.

INFORMATION OF THE 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.

The Vendor is a company established in the PRC with limited liability and holds approximately 26.66% of the equity interest in the JV Company as at the date of this announcement. The Vendor is principally engaged in the investment consulting services.

Information of the Purchaser

The Purchaser is a company established in the PRC with limited liability and holds 20% of the equity interest in the JV Company as at the date of this announcement. The Purchaser is principally engaged in the business of property development.

The Purchaser is an indirect wholly-owned subsidiary of China Overseas Land & Investment Ltd., a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 688).

Information of Guangzhou Lihe Group

The JV Company is a joint venture company established in the PRC with limited liability, in which its equity interest is owned as to approximately 26.66% by the Vendor, 20% by the Purchaser, approximately 26.67% by Guangzhou City Hongying Luhua Engineering Co., Ltd.*** (廣州市鴻盈綠化工程有限公司) and approximately 26.67% by Shanghai Mulei Business Management Co., Ltd.*** (上海穆蕾企業管理有限公司). The principal business of the JV Company is property development in the PRC.

The principal asset of the JV Company is the Property. The Property is a mixed-use residential and commercial complex known as “廣州亞運城” (Guangzhou Asian Games City) situated at Guangzhou Asian Games City, Shilou Town, Panyu District, Guangzhou City, Guangdong Province of the PRC with a total construction floor area of approximately 5,850,000 square metres and a site area of approximately 2,521,000 square metres. As at the date hereof, approximately 4,060,000 square metres of construction floor area of the Property has been developed into residential and commercial units and carpark spaces. The remaining construction floor area (being approximately 1,790,000 square metres) is still under construction, and such construction

is expected to be completed by the end of 2025. As at the date of this announcement, approximately 3,473,000 square metres of construction floor area (including residential and commercial units and carpark spaces) of the complex have been sold.

As at the date of this announcement, Guangzhou Lihe Property Management and Guangzhou Shijia are both wholly-owned subsidiaries of the JV Company and companies incorporated in the PRC with limited liability. Guangzhou Lihe Property Management is principally engaged in the business of property management in the PRC, and Guangzhou Shijia is principally engaged in the business of architectural decoration and fitting out in the PRC.

Set out below is the consolidated financial information of Guangzhou Lihe Group for the two years ended 31 December 2021 prepared in accordance with generally accepted accounting principles in the PRC:

	For the financial year ended	
	31 December	
	<i>2020</i>	<i>2021</i>
	<i>(Audited)</i>	<i>(Unaudited)</i>
Net profit (before taxation)	approximately RMB3,249,209,000	approximately RMB3,980,382,000
Net profit (after taxation)	approximately RMB2,434,863,000	approximately RMB2,985,233,000

The unaudited net asset value of Guangzhou Lihe Group as at 31 December 2021 was approximately RMB2,911,582,000.

It is expected that the Company will record an estimated gain of approximately RMB698,677,000 upon the completion of the transaction, which is ascertained with reference to the fair value of 26.66% equity interest in the JV Company held by the Company of approximately RMB1,843,869,000 as at the date of the Sale and Purchase Agreement (after deducting the unaudited net investments in the JV Company held by the Company accounted for using the unaudited equity method of approximately RMB793,506,000 and the tax effect of approximately RMB351,686,000 (including deferred tax) in respect of the disposal of the Equity Interest).

The fair value of the JV Company represents the fair value of the equity interest sold in the JV Company (i.e., the consideration incurred therein). The actual gain to be recorded by the Company is subject to audit.

The net proceeds generated from the transaction is intended to be used for the Group's general working capital and future business development.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT

The Directors consider that the entering into of the Sale and Purchase Agreement is beneficial to the Company and the Shareholders as a whole as this would facilitate the Group to meet its working capital requirements and for future business development.

The Directors are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal is above 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules, but is exempted from the requirement of Shareholders' approval.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the following meanings:

“Board”	the board of Directors;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“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 (stock code: 3383);
“Completion”	completion of the Disposal;
“Consideration”	has the meaning ascribed to it in this announcement;
“Directors”	the directors of the Company;
“Disposal”	the transfer of the Equity Interest by the Vendor to the Purchaser;
“Equity Interest”	approximately 26.66% equity interest in the JV Company owned by the Vendor;
“Group”	the Company and its subsidiaries;

“Guangzhou Lihe Group”	the JV Company, Guangzhou Lihe Property Management and Guangzhou Shijia;
“Guangzhou Lihe Property Management”	Guangzhou Lihe Property Management Co., Ltd.*** (廣州利合物業管理有限公司), a company established with limited liability in the PRC and a direct wholly-owned subsidiary of the JV Company;
“Guangzhou Shijia”	Guangzhou Shijia Decoration Engineering Co., Ltd.*** (廣州世佳裝飾工程有限公司), a company established with limited liability in the PRC and a direct wholly-owned subsidiary of the JV Company;
“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 Company”	廣州利合房地產開發有限公司 (Guangzhou Lihe Real Estate Development Co., Ltd.***), a company established in the PRC with limited liability;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Loan”	has the meaning ascribed to it 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;
“Property”	a mixed-use residential and commercial complex known as “廣州亞運城” (Guangzhou Asian Games City) located in Guangzhou City, PRC, details of which are set out in the paragraph headed “Information of Guangzhou Lihe Group” of this announcement;
“Purchaser”	廣東中海地產有限公司 (Guangdong Zhonghai Property Co., Ltd.***), a company established in the PRC with limited liability;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Vendor and the Purchaser dated 21 January 2022 in respect of the transfer of the Equity Interest;
“Shareholders”	shareholder(s) of the Company;

“Stock Exchange” The Stock Exchange of Hong Kong Limited;

“Vendor” 廣州振然投資有限公司 (Guangzhou Zhenran Investment Co., Ltd.***), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company; and

“%” per cent.

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

Hong Kong, 24 January 2022

As at the date of this announcement, the Board comprises eleven 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. Chan Cheuk Hei**, Mr. Chan Cheuk Nam**, Dr. Cheng Hon Kwan[#], Mr. Kwong Che Keung, Gordon[#], Mr. Hui Chiu Chung, Stephen[#] and Mr. Wong Shiu Hoi, Peter[#].*

* *Executive Directors*

** *Non-executive Directors*

Independent Non-executive Directors

*** *for translation and identification purposes only as there is no official English translation or name*