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## **XXF GROUP HOLDINGS LIMITED**

**喜相逢集團控股有限公司**

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

**(Stock Code: 2473)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF LAND USE RIGHTS**

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The Board is pleased to announce that on 8 December 2023 (after trading hours), Fujian Xidun (an indirect wholly-owned subsidiary of the Company) entered into the Land Use Rights Grant Contract with Fuzhou Natural Resources and Planning Bureau for the acquisition of the land use rights of the Land at a consideration of RMB89 million (equivalent to approximately HK\$97.8 million).

#### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Land Acquisition exceeds 5% but is less than 25%, the Land Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirement, but is exempt from the circular and shareholders' approval requirements, under the Listing Rules.

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The major terms of the Land Use Rights Grant Contract are set out below:

- Date of entering into the Land Use Rights Grant Contract : 8 December 2023
- Parties : (1) Fujian Xidun (as the transferee); and  
(2) Fuzhou Natural Resources and Planning Bureau (as the transferor)
- Location of the Land : The Land is located at Fuxing Economic Development Zone Steel Market, North of Hutang Road and West of Fuxing Avenue, Fuzhou City, Fujian Province, the PRC and includes the B2-1-A Surrounding Area\* (湖塘路以北、福興大道以西，福興經開區鋼材市場及周邊B2-1-A出讓地塊) with parcel number 2023-24
- Total site area of the Land : 12,045 sq.m.
- Plot ratio of the Land : 2.0 to 3.0
- Timeframe for commencement and completion of development and construction on the Land : Construction and development of the Land shall commence within 9 months from the date of delivery of the Land pursuant to the Land Use Rights Grant Contract, and shall be completed within 36 months from the commencement date of such construction and development.
- Consideration and payment terms : The Consideration, being RMB89 million (equivalent to approximately HK\$97.8 million), shall be paid in the following manner:
- (1) First installment: RMB44.5 million (equivalent to approximately HK\$48.9 million), being 50% of the Consideration, payable within 30 calendar days from the date of the Land Use Rights Grant Contract; and
  - (2) Second installment: the remaining RMB44.5 million (equivalent to approximately HK\$48.9 million), being 50% of the Consideration, payable within 360 calendar days from the date of the Land Use Rights Grant Contract.

Term of the grant of the Land Use Rights and the use of the Land : For industrial use for a period of 50 years from the date of delivery of the Land in accordance with the Land Use Rights Grant Contract.

Fujian Xidun may submit a request to seek an extension by at least one year before the expiration date of the Land Use Rights Grant Contract and Fuzhou Natural Resources and Planning Bureau shall approve such request unless the Land shall be resumed due to social public interest.

Liability for breach : Fujian Xidun may be liable for breach of the Land Use Rights Grant Contract upon the occurrence of the following events:

- 1) If Fujian Xidun fails to pay the Consideration in accordance with the Land Use Rights Grant Contract, Fujian Xidun shall be liable to make an additional default payment that equals to 0.1% of the amount payable at that time for each day of delay to Fuzhou Natural Resources and Planning Bureau; and if the delay in payment is more than 60 calendar days, Fuzhou Natural Resources and Planning Bureau shall be entitled to terminate the contract and claim for damages against Fujian Xidun; and
- 2) If Fujian Xidun fails to commence or complete the construction and development of the Land within the specified timeframe (each of which may be extended by consent), Fujian Xidun shall be liable to pay a default payment that equals to 0.03% of the Consideration pro-rated by the undeveloped construction area at that time to total permissible construction area ratio for each day of delay to Fuzhou Natural Resources and Planning Bureau.

### **Basis for determining the Consideration**

The Consideration was determined by the successful bid of the Land Use Rights by Fujian Xidun through a public tender which was conducted in accordance with the relevant PRC laws and regulations. The Directors considered that the Consideration was fair and reasonable after taking into account, among other things, (i) the base price of the bid of RMB89 million set by Fuzhou Natural Resources and Planning Bureau; (ii) the current property market conditions in Fuzhou City, Fujian Province, the PRC and the areas nearby; and (iii) the location and development potential of the Land. The Group intends to finance the Consideration by internal resources and/or loans from financial institutions and/or funds from other investors who is willing to jointly construct and develop the Land. As at the date of this announcement, the Company did not identify any such investor or finalise any terms of such investment plan.

### **Reasons for and benefits of the Land Acquisition**

The Land is intended to be used for the construction of an office building with a view to cater for the daily office and operational needs of the employees of the Group. As at the date of this announcement, the Group did not own any properties as offices.

Having taken into account the above factors, the Directors believe that the Land Acquisition, which will enable the Group to construct the office building for ordinary business purpose, is beneficial to the Company and the shareholders as a whole. The Directors also consider that the terms of the Land Acquisition are on normal commercial terms or better, and fair and reasonable, and in the interest of the Company and the shareholders as a whole.

### **INFORMATION ON THE PARTIES**

The Company is principally engaged in automobile financing leasing business.

Fujian Xidun is an investment holding company established in the PRC. It is an indirect wholly owned subsidiary of the Company.

Fuzhou Natural Resources and Planning Bureau is a bureau established by the Fuzhou Municipal People's Government and a PRC Governmental Body within the meaning of Rule 19A.04 of the Listing Rules. It is primarily responsible for, among others, the administration of planning and natural resources works in Fuzhou City.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Fuzhou Natural Resources and Planning Bureau and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## LISTING RULES IMPLICATIONS

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## DEFINITIONS

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

“Board”	the board of Directors
“Company”	XXF Group Holdings Limited (喜相逢集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 2473)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB89 million (equivalent to approximately HK\$97.8 million), being the total consideration payable by Fujian Xidun for the Land Acquisition
“Directors”	the directors of the Company
“Fujian Xidun”	Fujian Xidun Automobile Service Co., Ltd.* (福建喜盾汽車服務有限公司), a company established under the laws of the PRC on 23 May 2018 and an indirect wholly-owned subsidiary of the Company
“Fuzhou Natural Resources and Planning Bureau”	Fuzhou Natural Resources and Planning Bureau* (福州市自然資源和規劃局), a local government authority under the Fuzhou Municipal People's Government of the PRC
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Land”	a piece of land located at Fuxing Economic Development Zone Steel Market, North of Hutang Road and West of Fuxing Avenue, Fuzhou City, Fujian Province, the PRC and includes the B2-1-A Surrounding Area* (湖塘路以北、福興大道以西、福興經開區鋼材市場及周邊B2-1-A出讓地塊) (parcel number: 2023-24) and is of a total site area of 12,045 sq.m.
“Land Acquisition”	the acquisition of the Land Use Rights according to the Land Use Rights Grant Contract
“Land Use Rights”	the state-owned construction land use rights (國有建設用地使用權) on the Land
“Land Use Rights Grant Contract”	the State-owned Construction Land Use Rights Grant Contract* (國有建設用地使用權出讓合同) entered into between Fujian Xidun as the transferee and Fuzhou Natural Resources and Planning Bureau as the transferor in relation to the Land Acquisition on 8 December 2023
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China
“PRC Governmental Body”	has the meaning ascribed to it under Rule 19A.04 of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

*Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated into HK\$ at the rate of HK\$1.00 = RMB0.91.*

By Order of the Board  
**XXF Group Holdings Limited**  
**Mr. HUANG Wei**  
*Chairman of the Board, chief executive officer  
and executive Director*

Hong Kong, 8 December 2023

*As at the date of this announcement, the executive Directors are Mr. Huang Wei, Mr. Ye Fuwei and Ms. Zhang Jinghua, the non-executive Directors are Mr. Liu Wei and Ms. Xu Rui, and the independent non-executive Directors are Mr. Wu Fei, Mr. Fung Che Wai, Anthony and Mr. Chen Shuo.*

\* *For identification purposes only*