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Radiance Holdings (Group) Company Limited

金輝控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9993)

CONNECTED TRANSACTIONS IN RELATION TO THE PROVISION OF CORPORATE GUARANTEE

THE CORPORATE GUARANTEE AGREEMENT AND THE SECOND RANKING MORTGAGE AGREEMENT

On 18 March 2024, Radiance Group, an indirect non-wholly owned subsidiary of the Company, entered into the Corporate Guarantee Agreement with the Financial Institution, pursuant to which Radiance Group agreed to provide the Corporate Guarantee in favour of the Financial Institution to guarantee the repayment obligations of Beijing Jinhui Jinjiang under the Facility. Under the Facility, Beijing Juye Real Estate, an indirect non-wholly owned subsidiary of the Company, and the Financial Institution also entered into the Second Ranking Mortgage Agreement in favour of the Financial Institution, pursuant to which Beijing Juye Real Estate agreed to mortgage the Properties to the Financial Institution to provide a second ranking mortgage for the Facility. The total guarantee amount under the Corporate Guarantee Agreement and the Second Ranking Mortgage Agreement is up to RMB300 million in aggregate.

THE COUNTER CORPORATE GUARANTEE AGREEMENT

Simultaneously, (i) Radiance Group; (ii) Radiance Smart Holding; and (iii) Beijing Jinhui Jinjiang have entered into the Counter Corporate Guarantee Agreement, pursuant to which Radiance Smart Holding has agreed to provide the Counter Corporate Guarantee to Radiance Group in respect of its guarantee obligation under the Corporate Guarantee Agreement. Furthermore, in consideration of Radiance Group providing the Corporate Guarantee, Radiance Smart Holding shall also pay to Radiance Group a one-off service fee calculated at 2% of the principal amount of the Facility of RMB300 million for the entire term of the financing guarantee obligations. The Counter Corporate Guarantee will not be secured by any collaterals of the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of Beijing Jinhui Jinjiang and Radiance Smart Holding is wholly-owned by Radiance Group Holdings Limited, which is in turn owned as to 64.97% by Mr. Lam (an executive Director and a controlling shareholder of the Company) and 35.03% by Ms. Lam (a controlling shareholder of the Company and the spouse of Mr. Lam). Each of Beijing Jinhui Jinjiang and Radiance Smart Holding is therefore a connected person of the Company under the Listing Rules. Accordingly, the Corporate Guarantee and the Counter Corporate Guarantee will respectively constitute provision and receipt of financial assistance, and connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable ratio (as defined under the Listing Rules) in respect of the provision of the Corporate Guarantee exceeds 0.1% but is less than 5%, the provision of the Corporate Guarantee is subject to reporting and announcement requirements but exempt from circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Counter Corporate Guarantee provided by Radiance Smart Holding will be conducted on normal commercial terms or better and will not be secured by the assets of the Group, the Counter Corporate Guarantee is fully exempted from reporting, announcement and independent Shareholders approval requirements pursuant to Rule 14A.90 of the Listing Rules.

On 18 March 2024, Radiance Group, an indirect non-wholly owned subsidiary of the Company, entered into the Corporate Guarantee Agreement with the Financial Institution, pursuant to which Radiance Group agreed to provide the Corporate Guarantee in favour of the Financial Institution to guarantee the repayment obligations of Beijing Jinhui Jinjiang under the Facility. Under the Facility, Beijing Juye Real Estate, an indirect non-wholly owned subsidiary of the Company, and the Financial Institution also entered into the Second Ranking Mortgage Agreement in favour of the Financial Institution, pursuant to which Beijing Juye Real Estate agreed to mortgage the Properties to the Financial Institution to provide a second ranking mortgage for the Facility. The total guarantee amount under the Corporate Guarantee Agreement and the Second Ranking Mortgage Agreement is up to RMB300 million in aggregate.

(1) THE CORPORATE GUARANTEE AGREEMENT

The principal terms of the Corporate Guarantee Agreement are set out as follows:

Date

18 March 2024 (after trading hours)

Parties

- (a) Radiance Group; and
- (b) the Financial Institution.

Term

The term of the guarantee obligation of Radiance Group in respect of each drawdown under the Facility commences from the relevant drawdown date and ends on the third anniversary of the maturity of such drawdown date (i.e. ending on 17 March 2028).

Subject matter

Radiance Group shall guarantee the repayment obligation of Beijing Jinhui Jinjiang for up to RMB300 million under the Facility. The total guarantee amount under the Corporate Guarantee Agreement and the Second Ranking Mortgage Agreement is up to RMB300 million in aggregate. The Company intends to fund such guarantee obligation, if any, by the Group's internal resources.

(2) THE SECOND RANKING MORTGAGE AGREEMENT

The principal terms of the Second Ranking Mortgage Agreement are set out as follows:

Date

18 March 2024 (after trading hours)

Parties

- (a) Beijing Juye Real Estate; and
- (b) the Financial Institution.

Term

The term of the mortgage obligation of Beijing Juye Real Estate in respect of each drawdown under the Facility commences from the relevant drawdown date and ends on the third anniversary of the maturity of such drawdown date (i.e. ending on 17 March 2028).

Subject matter

Beijing Juye Real Estate agreed to mortgage the Properties to the Financial Institution to provide the Second Ranking Mortgage of up to RMB300 million for the Facility. The total guarantee amount under the Corporate Guarantee Agreement and the Second Ranking Mortgage Agreement is up to RMB300 million in aggregate.

(3) THE COUNTER CORPORATE GUARANTEE AGREEMENT

Simultaneously, (i) Radiance Group; (ii) Radiance Smart Holding; and (iii) Beijing Jinhui Jinjiang have entered into the Counter Corporate Guarantee Agreement. The principal terms of the Counter Corporate Guarantee Agreement are set out as follows:

Date

18 March 2024 (after trading hours)

Parties

- (a) Radiance Group;
- (b) Radiance Smart Holding; and
- (c) Beijing Jinhui Jinjiang.

Term

The term of the counter-guarantee obligation of Radiance Smart Holding in respect of each drawdown under the Facility shall be the same as the term of Corporate Guarantee.

Subject matter

Radiance Smart Holding shall counter-guarantee the guarantee obligation of Radiance Group under the Corporate Guarantee. The Counter Corporate Guarantee will not be secured by any collaterals of the Group.

Service fee in respect of the Corporate Guarantee

In consideration of Radiance Group providing the Corporate Guarantee, Radiance Smart Holding shall pay to Radiance Group a one-off service fee calculated at 2% of the principal amount of the Facility of RMB300 million for the entire term of the financing guarantee obligations. Such service fee is determined after arm's length negotiations with reference to, and is no less favourable than, the prevailing service fee charged by similar service providers in the market.

Payment obligation

The service fee shall be paid by Radiance Smart Holding to Radiance Group within one month after the first drawdown of the Facility by Beijing Jinhui Jinjiang.

REASONS FOR AND BENEFITS OF THE CORPORATE GUARANTEE AND THE COUNTER CORPORATE GUARANTEE

Beijing Jinhui Jinjiang provides comprehensive property management services for the properties at the Group's property development projects. The Facility could increase the diversity and liquidity of its business, which could bring positive effect on the Group's image as property management services provided at its properties improve, and will also be conducive to the Group's property sales. Pursuant to the requirements of the Financial Institution, corporate guarantee to secure the repayment obligation of Beijing Jinhui Jinjiang is required for the application of the Facility. After reviewing the latest management accounts and performing credit risk check and considering the repayment ability and financial conditions of Beijing Jinhui Jinjiang, the Company considers that the risk level with reference to the Corporate Guarantee is relatively low. Furthermore, Radiance Smart Holding will provide the Counter Corporate Guarantee and the provision of the Corporate Guarantee will also bring service fees income to the Group.

As such, the Directors (including the independent non-executive Directors) are of the view that the terms of the Corporate Guarantee Agreement, the Second Ranking Mortgage Agreement and the Counter Corporate Guarantee Agreement (including the service fee in respect of the provision of the Corporate Guarantee) are fair and reasonable, on normal commercial terms and although the Corporate Guarantee, the Second Ranking Mortgage and the Counter Corporate Guarantee are not conducted in the ordinary course of business of the Group, they are in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group is a reputable large property developer with national presence, regional focus and leading positions in select cities, and the Group focus on providing quality residential properties to first-time homebuyers and first-time upgraders.

The Financial Institution and its subsidiaries are financial institutions that are principally engaged in the commercial banking business.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Financial Institution and its ultimate beneficial owner(s) are third parties independent from each of the Company and its connected persons.

Beijing Jinhui Jinjiang is a company established in the PRC with limited liability which is indirectly owned as to 64.97% by Mr. Lam and 35.03% by Ms. Lam. It is principally engaged in the provision of property management services.

Radiance Smart Holding is a company incorporated in the British Virgin Islands with limited liability which is indirectly owned as to 64.97% by Mr. Lam and 35.03% by Ms. Lam. It is principally engaged in investment holdings.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of Beijing Jinhui Jinjiang and Radiance Smart Holding is wholly-owned by Radiance Group Holdings Limited, which is in turn owned as to 64.97% by Mr. Lam (an executive Director and a controlling shareholder of the Company) and 35.03% by Ms. Lam (a controlling shareholder of the Company and the spouse of Mr. Lam). Each of Beijing Jinhui Jinjiang and Radiance Smart Holding is therefore a connected person of the Company under the Listing Rules. Accordingly, the Corporate Guarantee and the Counter Corporate Guarantee will respectively constitute provision and receipt of financial assistance and connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable ratio (as defined under the Listing Rules) in respect of the provision of the Corporate Guarantee exceeds 0.1% but is less than 5%, the provision of the Corporate Guarantee is subject to reporting and announcement requirements but exempt from circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Counter Corporate Guarantee provided by Radiance Smart Holding will be conducted on normal commercial terms or better and will not be secured by the assets of the Group, the Counter Corporate Guarantee is fully exempted from reporting, announcement and independent Shareholders approval requirements pursuant to Rule 14A.90 of the Listing Rules.

BOARD APPROVAL

At the Board meeting held to approve the Corporate Guarantee Agreement, the Second Ranking Mortgage Agreement and the Counter Corporate Guarantee Agreement, Mr. Lam and his son, Mr. Lam Yu, are considered as having a material interest in the transactions contemplated thereunder. Accordingly, each of Mr. Lam and Mr. Lam Yu have abstained from voting on the Board resolution for approving the Corporate Guarantee Agreement, the Second Ranking Mortgage Agreement and the Counter Corporate Guarantee Agreement. Save as disclosed, none of the Directors was required to abstain from voting on the relevant Board resolutions.

DEFINITIONS

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

“Board”	the board of Directors
“Beijing Jinhui Jinjiang”	Beijing Jinhui Jinjiang Property Service Co., Ltd.* (北京金輝錦江物業服務有限公司), a company established in the PRC
“Beijing Juye Real Estate”	Beijing Juye Real Estate Co., Ltd.* (北京居業置業有限公司), a company established in the PRC, and an indirect non-wholly-owned subsidiary of the Company
“Company”	Radiance Holdings (Group) Company Limited (金輝控股(集團)有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 9993)
“connected person(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“controlling shareholder(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“Corporate Guarantee”	the corporate guarantee of up to RMB300 million provided or to be provided by Radiance Group under the Corporate Guarantee Agreement in favour of the Financial Institution for the purpose of the Facility. The total guarantee amount under the Corporate Guarantee Agreement and the Second Ranking Mortgage Agreement is up to RMB300 million in aggregate
“Corporate Guarantee Agreement”	the corporate guarantee agreement dated 18 March 2024 entered into between Radiance Group and the Financial Institution in relation to the provision of the Corporate Guarantee

“Counter Corporate Guarantee”	the counter corporate guarantee to be provided by Radiance Smart Holding in favour of Radiance Group in respect of its guarantee obligation under the Corporate Guarantee Agreement
“Counter Corporate Guarantee Agreement”	the counter corporate guarantee agreement dated 18 March 2024 entered into among (i) Radiance Group; (ii) Radiance Smart Holding; and (iii) Beijing Jinhui Jinjiang in relation to the provision of the Counter Corporate Guarantee
“Director(s)”	the director(s) of the Company
“Facility”	the facility dated 18 March 2024 entered into between Beijing Jinhui Jinjiang and the Financial Institution in the principal amount of up to RMB300 million. The drawdown period of the Facility shall commence on 18 March 2024 and end on 17 March 2025
“Financial Institution”	the Industrial Bank Co., Ltd. (興業銀行股份有限公司)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Lam”	Mr. Lam Ting Keung (林定強), an executive Director and a controlling shareholder of the Company
“Ms. Lam”	Ms. Lam Fung Ying (林鳳英), the spouse of Mr. Lam and a controlling shareholder of the Company
“PRC”	the People’s Republic of China
“Properties”	the office and commercial premises and parking lots at Building 6, Area 4, Wangjing East Garden, Chaoyang District, Beijing, the PRC, which are owned by Beijing Juye Real Estate and provide the second ranking mortgage for the Facility

“Radiance Group”	Radiance Group Co., Ltd.* (金輝集團股份有限公司), a company established in the PRC and an indirect non-wholly owned subsidiary of the Company
“Radiance Smart Holding”	Radiance Smart Holding Limited (智輝控股有限公司), a company incorporated in the British Virgin Islands with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Second Ranking Mortgage Agreement”	the second ranking mortgage agreement dated 18 March 2024 entered into between Beijing Juye Real Estate and the Financial Institution in relation to the provision of the Second Ranking Mortgage
“Second Ranking Mortgage”	the mortgage of the Properties by Beijing Juye Real Estate to the Financial Institution pursuant to the Second Ranking Mortgage Agreement to provide the Second Ranking Mortgage of up to RMB300 million for the Facility. The total guarantee amount under the Corporate Guarantee Agreement and the Mortgage Agreement is up to RMB300 million in aggregate
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

* *For identification purposes only*

By order of the Board
Radiance Holdings (Group) Company Limited
Lam Ting Keung
Chairman

Hong Kong, 18 March 2024

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Lam Ting Keung, Mr. Lam Yu, Mr. Huang Junquan and Mr. Xu Xiaodong and three independent non-executive Directors, namely, Mr. Zhang Huaqiao, Mr. Tse Yat Hong and Mr. Chung Chong Sun.