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DEVGREAT GROUP LIMITED

大方廣瑞德集團有限公司

(formerly known as Shanghai Zendai Property Limited 上海証大房地產有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock code: 755)

- (A) MAJOR TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO THE
LOAN EXTENSION AND ASSIGNMENT;
(B) MAJOR TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO
PROVISION OF FINANCIAL ASSISTANCE; AND
(C) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE RENEWAL OF
THE FRAMEWORK AGREEMENT

(A) THE LOAN EXTENSION AND ASSIGNMENT

Reference is made to the announcements of the Company dated 24 March 2014 and 2 November 2020. Pursuant to the terms of the Investor's Rights Agreement and Put Option Notice, the Company shall pay RMB200,000,000 (the "**Put Option Principal Amount**") to Power Rider by 2 November 2020.

As at the Effective Date, (i) the Put Option Principal Amount of RMB198,685,409.66 (equivalent to approximately HKD215,132,271.84) and (ii) interests of the Put Option Principal Amount of RMB78,050,839.82 (equivalent to approximately HKD84,511,764.19) (the "**Put Option Interests**") remained due and payable by the Company to Power Rider.

In view of the Put Option Principal Amount and Put Option Interests, on 29 November 2024 (after trading hours), the Company, Haimen Zendai and Power Rider entered into the Extension Deed and the Set-off Deed to, among other things, (i) extend the repayment date of the Put Option Principal Amount to the Extended Repayment Date (the "**Loan Extension**"), and (ii) assign the Partial Outstanding Balance from the Company to Power Rider (the "**Assignment**") so to set-off all Put Option Interests due and payable by the Company to Power Rider, with retrospective effect from the Effective Date.

(B) PROVISION OF FINANCIAL ASSISTANCE

Reference is made to the 2022 VSD. Pursuant to the 2022 VSD, Myway Developments shall settle its net balances due to the Group by 31 December 2024. As at the date of this announcement, the Outstanding Balances representing the aforesaid net balances remain due and payable. In view of the above and with reference to the reasons as set out in the section headed “REASONS FOR AND BENEFITS OF THE TRANSACTIONS” in this announcement, on 29 November 2024 (after trading hours), the Loan Extension Agreement was entered into by amongst others, the Company, Myway Developments and Power Rider, to extend the repayment date of the Outstanding Balances for a term of three years from 1 January 2025 to 31 December 2027 (the “**Financial Assistance**”).

(C) THE RENEWAL OF THE FRAMEWORK AGREEMENT

Reference is made to the 2022 VSD. Pursuant to the 2022 VSD, the continuing connected transactions in relation to the Framework Agreement will be valid until 31 December 2024, and shall be renewable upon its expiry subject to the Company complying with the applicable Listing Rules requirements in due course. Separate project agreements, including a real estate project development and management agreement (房地產項目委託開發管理協議) (the “**Real Estate Management Agreement**”) had been entered by the Group and the Myway Group to set out the specific terms for each property project being managed in accordance with the principles and broad terms agreed in the Framework Agreement.

As the Framework Agreement and the Real Estate Management Agreement will expire on 31 December 2024, on 29 November 2024 (after trading hours), the Renewed Framework Agreement was entered into between Yachang Yinghui and Haimen Zendai to extend a further term of three years from 1 January 2025 to 31 December 2027 for the provision of property construction and management services for Haimen Project by Yachang Yinghui to Haimen Zendai (the “**Renewal of the Framework Agreement**”).

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquires, as at the date of this announcement, (i) Yachang Yinghui is an indirect wholly-owned subsidiary of the Company, which was incorporated in the PRC with limited liability and is principally engaged in commercial complex management service, property management and hotel management; and (ii) Haimen Zendai is an indirect 90.9% owned subsidiary of Myway Developments and Power Rider, which was incorporated in the PRC with limited liability and is principally engaged in real estate development and management.

LISTING RULES IMPLICATIONS

(A) THE LOAN EXTENSION AND ASSIGNMENT

As at the date of this announcement, Smart Success holds 2,703,248,481 issued Shares (representing approximately 18.17% of the issued share capital of the Company) and is a substantial Shareholder of the Company within the meaning of the Listing Rules. Further, as at the date of this announcement, both Smart Success and Power Rider are wholly owned subsidiaries of COAMI. In view of the above, Power Rider is a fellow subsidiary of the holding company (COAMI) of the substantial Shareholder (Smart Success) of the Company, and is therefore a connected person of the Company pursuant to rule 14A.13(1) of the Listing Rules. Accordingly, both the Loan Extension and the Assignment constitute connected transactions of the Company.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Assignment is more than 25% but all applicable percentage ratios are less than 75%, the Assignment also constitutes a major transaction of the Company pursuant to rule 14.06 of the Listing Rules. The Assignment is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

Further, as the Loan Extension pursuant to the Extension Deed represented financial assistance provided by connected persons of the Company for the benefit of the Group, which were on normal commercial terms or better and were not secured by the assets of the Group, and were therefore fully exempt from the reporting, announcement and Independent Shareholders' approval requirements for connected transactions pursuant to rule 14A.90 of the Listing Rules.

(B) PROVISION OF FINANCIAL ASSISTANCE

As at the date of this announcement, Myway Developments is a wholly owned subsidiary of Power Rider, and is therefore a connected person of the Company pursuant to rule 14A.13(1) of the Listing Rules. Accordingly, the Financial Assistance constitutes a connected transaction of the Company.

Although some of the applicable percentage ratios in respect of the Financial Assistance exceed 100%, the Financial Assistance is not an acquisition by the Company and constitutes as a major transaction (instead of a very substantial acquisition) for the Company pursuant to rule 14.06 of the Listing Rules.

The Financial Assistance is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

(C) THE RENEWAL OF THE FRAMEWORK AGREEMENT

As at the date of this announcement, Haimen Zendai is an indirect 90.9% owned subsidiary of Myway Developments and is therefore a connected person of the Company pursuant to rule 14A.13(1) of the Listing Rules. Yachang Yinghui is an indirect wholly owned subsidiary of the Company. Accordingly, the transactions contemplated under the Renewed Framework Agreement constitutes continuing connected transactions of the Company.

The Renewal of the Framework Agreement is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The SGM will be convened and held to consider and, if thought fit, approve (i) the Set-off Deed, (ii) the Loan Extension Agreement and (iii) the Renewed Framework Agreement (collectively, the “**Agreements**”) and the transactions contemplated thereunder (including (i) the Assignment, (ii) the provision of the Financial Assistance and (iii) the Renewal of the Framework Agreement).

Since Nantong Sanjian guarantees to Power Rider the punctual payment of the Put Option Principal Amount by the Company to Power Rider under the Extension Deed, to avoid any doubt of material interests, Nantong Sanjian and its associates will abstain from voting on the resolution(s) in respect of the Set-off Deed and the transactions contemplated thereunder at the SGM. Since Smart Success is an associate of the relevant parties to the Agreements and the transactions contemplated thereunder, Smart Success and its associates are required to abstain from voting on all the resolutions in respect of the Agreements and the transactions contemplated thereunder at the SGM pursuant to rule 2.16 of the Listing Rules. Save for the above, none of the other Shareholders has a material interest in the Agreements and the transactions contemplated thereunder (including (i) the Assignment, (ii) the provision of the Financial Assistance and (iii) the Renewal of the Framework Agreement) and therefore no other Shareholder will be required to abstain from voting on the resolution(s) in respect of the Agreements and the transactions contemplated thereunder (including (i) the Assignment, (ii) the provision of the Financial Assistance and (iii) the Renewal of the Framework Agreement) at the SGM.

The Independent Board Committee comprising Dr. Guan Huanfei, Mr. Cao Hailiang, Dr. Lin Xinzhu and Mr. Wang Yuzhou, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Set-off Deed, the Loan Extension Agreement and the Renewed Framework Agreement and the transactions contemplated thereunder (including the (i) Assignment, (ii) the provision of the Financial Assistance and (iii) the Renewal of the Framework Agreement). Crescendo Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) details of the Extension Deed, the Set-off Deed, the Loan Extension Agreement and the Renewed Framework Agreement and the transactions contemplated thereunder (including the Assignment, the provision of the Financial Assistance and the Renewal of the Framework Agreement); (ii) the letter of recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder (including the Assignment, the provision of the Financial Assistance and the Renewal of the Framework Agreement); (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder (including the Assignment, the provision of the Financial Assistance and the Renewal of the Framework Agreement); (iv) a notice convening the SGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 23 December 2024.

WARNING

Shareholders and potential investors of the Company should note that the transactions contemplated under this announcement is conditional upon the passing of the SGM and the satisfaction (as the case may be) of the Conditions (as defined herein below), and the transactions may or may not proceed. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the securities of the Company.

A. THE LOAN EXTENSION AND ASSIGNMENT

On 29 November 2024 (after trading hours), the Company, Haimen Zendai and Power Rider entered into the Extension Deed and the Set-off Deed to, among other things, (i) extend the repayment date of the Put Option Principal Amount to the Extended Repayment Date and (ii) assign the Partial Outstanding Balance from the Company (as the assignor) to Power Rider (as the assignee) (so to set-off all Put Option Interests due and payable by the Company to Power Rider, with retrospective effect from the Effective Date.

The principal terms of the Extension Deed and the Set-off Deed are set out below:

Date : 29 November 2024

Parties : The parties to the Extension Deed and the Set-off Deed:

- (i) Company;
- (ii) Haimen Zendai; and
- (iii) Power Rider.

Subject matter : (i) Extension of the repayment date of the Put Option Principal Amount

Subject to the fulfilments of the conditions, Power Rider has agreed to extend the repayment date of the Put Option Principal Amount, together with the interests on the Put Option Principal Amount (which shall accrue at a rate of 0.03% per day for the period commencing from and including the Effective Date and ending on and including the date that Power Rider receives repayment of the Put Option Principal Amount in full together with all interests on the Put Option Principal Amount on or before the Extended Repayment Date; or the avoidance of doubt, this shall exclude all Put Option Interests which would be set-off pursuant to the Set-Off Deed), to the Extended Repayment Date, with retrospective effect from the Effective Date.

(ii) Assignment of the Partial Outstanding Balance to set-off all Put Option Interests

Subject to the fulfilments of the conditions, the Company, Power Rider and Haimen Zendai has agreed to execute and deliver the Set-off Deed.

Pursuant to the Set-off Deed, the Company (as the assignor) has agreed to assign to Power Rider (as the assignee), and Power Rider (as the assignee) has agreed to take from the Company (as the assignor) the Partial Outstanding Balance, with retrospective effect from the Effective Date.

Further, pursuant to the Set-off Deed, Power Rider has agreed to set-off all Put Option Interests due and payable by the Company to Power Rider, with retrospective effect from the Effective Date.

Conditions precedent : The conditions precedent of the Extension Deed include, amongst others, the following:

- (i) the due execution and delivery of the agreement;
- (ii) the approval by the board of directors of Haimen Zendai and the Company;
- (iii) the passing of the SGM; and
- (iv) the delivery of the required corporate documents.

Securities : As of the date of execution of the Extension Deed, the following security documents have been executed in favour of COAMI or Power Rider so to secure and guarantee (as applicable) all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each of the transaction parties to Power Rider under the Extension Deed:

- (i) a Hong Kong law governed corporate guarantee dated on or about the Extension Deed and made between Nantong Sanjian as the guarantor and Power Rider as the beneficiary;
- (ii) a Hong Kong law governed security deed in respect of 18 per cent of the entire issued share capital of the Company dated on or about the date of the Extension Deed and made between Nantong Sanjian as the chargor, COAMI and Power Rider as the beneficiaries;
- (iii) a PRC law governed guarantee agreement dated 31 December 2020 and made between Nantong Sanjian as the corporate guarantor, Mr. Huang Yu Hui (黃裕輝), being he Chairman of the Board of the Company, and Ms. Liu Mei (劉美) as personal guarantors and Power Rider as the beneficiary;
- (iv) a PRC law governed share pledge agreement in respect of 2 per cent of the shares in Nantong Sanjian dated 31 December 2020 and made between certain onshore share pledgors as pledgors and Power Rider as pledgee; and

- (v) a PRC law governed guarantee dated on or about the date of the Extension Deed and made between Haimen Zendai as corporate guarantor and Power Rider as beneficiary.

Other major terms : The other major terms of the Extension Deed:

- (i) If the Company has achieved or generated any DevGreat net operating cashflow in any particular financial year, the Company shall, on or before the date falling five Business Days following the issuance of the annual report or audited consolidated financial statements of the Company for that financial year, prepay and/or pay the outstanding amount in an amount not less than 30 per cent. of the DevGreat net operating cashflow of that financial year.
- (ii) If any payment of Long Profit Repayment Proceeds or Myway Repayment Proceeds has been made by Haimen Zendai, the Company shall, on or before the date falling five Business Days after the date of payment of such Long Profit Repayment Proceeds or Myway Repayment Proceeds by Haimen Zendai, prepay or pay the outstanding amount in an amount not less than the entirety of the aggregate amount of such Long Profit Repayment Proceeds or Myway Repayment Proceeds.

B. THE PROVISION OF FINANCIAL ASSISTANCE

On 29 November 2024 (after trading hours), the Loan Extension Agreement was entered into by amongst others, the Company, Myway Developments and Power Rider, in relation to the provision of the Financial Assistance.

The principal terms of the Loan Extension Agreement relevant to the provision of Financial Assistance are set out below.

Date : 29 November 2024

Parties : The parties to the Loan Extension Agreement are, amongst others:

- (i) The Company;
- (ii) Myway Group;
- (iii) Power Rider; and
- (iv) Relevant former subsidiaries of Myway Developments as at the date of the announcement (“**Other Parties**”).

Conditions precedent : The conditions precedent of the Loan Extension Agreement include the following:

- (i) the due and proper execution of the agreement;

(ii) the approval by the Board of Directors; and

(iii) the passing of the SGM.

Subject matter : Extend the repayment date of the Outstanding Balances for a term of three years from 1 January 2025 to 31 December 2027.

C. THE RENEWAL OF THE FRAMEWORK AGREEMENT

On 29 November 2024 (after trading hours), the Renewed Framework Agreement was entered into by and between Yachang Yinghui and Haimen Zendai, to renew the Framework Agreement.

The principal terms of the Renewed Framework Agreement are set out below.

Date : 29 November 2024

Parties : The parties to the Renewed Framework Agreement are:

(i) Yachang Yinghui; and

(ii) Haimen Zendai.

Conditions precedent : The conditions precedent of the Renewed Framework Agreement include the following conditions:

(i) the due and proper execution of the agreement;

(ii) the approval by the Board of Directors; and

(iii) the passing of the SGM.

Subject matter : Extend the term of the Real Estate Management Agreement for three years, from 1 January 2025 to 31 December 2027. Yachang Yinghui is entitled to renew the agreement upon its expiry subject to the Company complying with the applicable Listing Rules requirements in due course.

Scope of services : Haimen Zendai shall appoint Yachang Yinghui to provide services for the development, construction, sale, operation and management of Haimen Project.

Service fees under the Real Estate Management Agreement : For property development projects, the service fees to be charged by the Group shall be 3% of the proceeds from the sale of units of the relevant project, plus an additional 2% as incentive subject to performance appraisal such as achievement of sales target. The service fees shall be settled on a quarterly basis.

For commercial investment properties, the service fees to be charged by the Group shall be 10% of the total operating income generated from the relevant project and shall be settled on a quarterly basis.

The service fees as described above were negotiated on an arm's length basis and determined with reference to market rates.

Historical amounts

The following table sets out the historical amounts of fees received by the Group from Haimen Zendai pursuant to the Framework Agreement and the Real Estate Management Agreement since the date of completion of the 2022 VSD for the two years ended 31 December 2023 and 31 December 2024:

<i>For the financial year ended/ending 31 December</i>	<i>RMB' million</i>
2023	nil
2024	nil

Proposed annual caps

The maximum amount of fees receivable by the Group in connection with Haimen Project pursuant to the Renewed Framework Agreement shall not exceed the annual caps set out below:

<i>For the financial year ending 31 December</i>	<i>RMB' million</i>
2025	22.16
2026	84.14
2027	78.04

Bases and assumptions in estimating the annual caps

The annual caps have been determined after having considered the following factors: (i) the development status and sales plan of Haimen Project; (ii) the estimated operating income of Haimen Project; and (iii) the rates of fees as described above in the Framework Agreement and the Real Estate Management Agreement. The huge gap between historical amounts and proposed annual caps is due to the impact of the overall economic environment and the downturn in the real estate industry in the past two years, and Haimen Project under the Real Estate Management Agreement have not started development. Haimen Project is expected to start development in 2025 and will be available for sale thereafter, thus the total services fees will increase significantly.

Internal control and pricing policies

The Company shall enter into arms' length negotiations with respect to the transactions contemplated under the Renewed Framework Agreement, with due regard to the pricing policy including the fees and other terms being no more favourable than those which the Group made available to the independent third parties. The relevant department of the Company will periodically review the transactions contemplated under the Renewed Framework Agreement and monitor the utilisation of the annual caps to ensure compliance with the terms of the Renewed Framework Agreement.

Having regard to the pricing policies of the Company in respect of the Renewed Framework Agreement, the Directors (including the independent non-executive Directors) consider that the Renewed Framework Agreement has been, and will in the extended term be entered into in the ordinary and usual course of business of the Group, on normal commercial terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

(A) Loan Extension and Assignment

In view of the overdue outstanding Put Option Principal Amount and the Put Option Interests, and the prolonged duration of recovering the Partial Outstanding Balance, the Directors (including the independent non-executive Directors) are of the view that (i) the extension of the repayment date of the Put Option Principal Amount and (ii) the Assignment of the Partial Outstanding Balance to set-off the Put Option Interests, provide a one-off solution to the Group to (i) recover the Partial Outstanding Balance within a foreseeable timeframe, thereby minimizing the uncertainty and credit risks associated with the Partial Outstanding Balance; and (ii) resolve the defaulted borrowings of the Group, thereby improving its liquidity and financial position. Further, the Assignment will reduce the amount of Outstanding Balances. In particular, the Assignment will result in a decrease in the Outstanding Balances from RMB 639,500,660.61 (equivalent to approximately HKD692,437,508.10) (among which RMB581,355,712.35 shall be principal amount and RMB58,144,948.26 shall be interest accrued thereon) as at the Effective Date immediately before the completion of the Assignment, to RMB 561,449,820.78 (equivalent to approximately HKD607,925,743.90) as at the Effective Date immediately upon the completion of the Assignment (as the amount of the Outstanding Balances would be set off by the Partial Outstanding Balance of approximately RMB78,050,839.83 (equivalent to approximately HKD84,511,764.19) immediately upon the completion of the Assignment), therefore complementing the benefits of the arrangements in relation to the provision of Financial Assistance and the Renewal of the Framework Agreement as set out in the section hereinbelow.

(B) The Provision of Financial Assistance and the Renewal of the Framework Agreement

As stated in the 2022 VSD circular, in view of the then challenging business environment of the real estate sector in the PRC and the then worsened financial position of the Group, the Group was keen to divest part of its property portfolio so to urgently improve liquidity and reduce debts, and to utilise its resources and experience to explore asset-light property businesses.

Accordingly and pursuant to the 2022 VSD, the Company entered into an agreement to dispose of Myway Group to Power Rider. As stated in the 2022 VSD circular, Power Rider was willing to acquire the equity interests of Myway Group but not the Outstanding Balances. It was intended that Myway Group could generate sufficient funds so to settle the Outstanding Balances through the development of the property projects of Myway Group, in particular the Haimen Project.

Further, as part of the 2022 VSD, the Company entered into the Framework Agreement with Power Rider, pursuant to which the Group was appointed by Power Rider to provide services for the development, construction and operation of property development projects, and the operation and management of completed commercial property projects held by Myway Group after completion of the 2022 VSD. Such appointment enabled the Group to have an ongoing monitoring and understanding of the financial position and liquidity of property projects of Myway Group so as safeguard the Group's interest in respect of repayment of the Outstanding Balances.

The economic environment of real estate has been deteriorating since the 2022 VSD. As the development management agent of Myway Developments and its then subsidiaries (its then subsidiaries as at the date of the 2022 VSD), the Company has suggested modifying the development plan of the project after discussion with Power Rider in order to obtain greater benefits. As the development plan has been postponed to wait for better market opportunity, the repayment of the Outstanding Balances have to be deferred. Nevertheless, the Board still holds the view that the Haimen Project has sufficient commercial value to pay back the Outstanding Balances in the future.

As such and in view of the above, the Board is of the view that the Renewal of the Framework Agreement would provide the Group with a solid foundation to manage and develop the Haimen Project for a period of three years so that the Myway Group can generate funds to settle the Outstanding Balances through development of its property development project. The extension of the Outstanding Balances by way of Financial Assistance would complement this arrangement and provide the Myway Group with sufficient time to work on its property development project so to settle the Outstanding Balances. Further, following the completion of the Loan Extension and the Assignment, the Company will be also resolve its major default issue and the Renewal of the Framework Agreement would enable the Group to make use of the funds to be received from the Myway Group to settle its amount due to Power Rider pursuant to the Loan Extension.

Having considered the above and the terms of the Loan Extension Agreement and the Renewed Framework Agreement, which are fair and reasonable and are on normal commercial terms and arrived at after negotiations on an arm's length basis, and that the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group, the Directors are of the view that the extension of the Outstanding Balances and the Renewal of the Framework Agreement are a better option of the Company's future development and are in the interests of the Company and its Shareholders as a whole.

OPINION OF THE BOARD

Mr. Huang Yuhui, being the substantial shareholder of Nantong Sanjian, which gives guarantee to Power Rider, was interested in and was required to abstain from voting on the relevant resolutions(s) in respect of the Extension Deed and the Set-off Deed and the transactions contemplated thereunder. Mr. Wang Letian and Mr. Long Tianyu, being the executive Directors of COAMI were interested in and were required to abstain from voting on the relevant resolutions in respect of the Extension Deed and the Set-off Deed and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, save as disclosed, none of the Directors have material interests in the Extension Deed, the Set-off Deed, the Loan Extension Agreement and the Renewed Framework Agreement and the transactions contemplated thereunder (including (i) the Assignment, (ii) the provision of the Financial Assistance and (iii) the Renewal of the Framework Agreement).

The Directors are of the view that the Extension Deed, the Set-off Deed, the Loan Extension Agreement and the Renewed Framework Agreement and the transactions contemplated thereunder (including (i) the Assignment, (ii) the provision of the Financial Assistance and (iii) the Renewal of the Framework Agreement) have been negotiated on an arm's length basis and are on normal commercial terms and in the ordinary and usual course of business of the Company that are fair and reasonable and in the interest of the Shareholders, and the transactions contemplated thereunder (including proposed annual caps set out above) are fair and reasonable and in the interests of the Shareholders as a whole.

GENERAL INFORMATION

Information of the Group

The Company acts as an investment holding company. The Group is principally engaged in property development, property investment and provision of property management and hotel operation. The Group has operations mainly in the PRC.

Information of Yachang Yinghui

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, as at the date of this announcement, Yachang Yinghui is an indirect wholly-owned subsidiary of the Company, which was incorporated in the PRC with limited liability and is principally engaged in commercial complex management service, property management and hotel management.

Information of Power Rider

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, as at the date of this announcement, Power Rider is a wholly-owned subsidiary of COAMI, an indirect state-owned financial and asset management group. Power Rider is principally engaged in special situation investments and asset management.

Information of the Myway Developments

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, as at the date of this announcement, Myway Developments is a direct wholly-owned subsidiary of Power Rider. Myway Developments, together with its subsidiaries, holds certain completed commercial property projects (including those existing projects and new projects) in the PRC.

Information of Haimen Zendai

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, as at the date of this announcement, Haimen Zendai is an indirect 90.9% owned subsidiary of Myway Developments, which was incorporated in the PRC with limited liability and was principally engaged in real estate development and management.

LISTING RULES IMPLICATIONS

(A) THE LOAN EXTENSION AND ASSIGNMENT

As at the date of this announcement, Smart Success holds 2,703,248,481 issued Shares (representing approximately 18.17% of the issued share capital of the Company) and is a substantial Shareholder of the Company within the meaning of the Listing Rules. Further, as at the date of this announcement, both Smart Success and Power Rider are wholly owned subsidiaries of COAMI. In view of the above, Power Rider is a fellow subsidiary of the holding company (COAMI) of the substantial Shareholder (Smart Success) of the Company, and is therefore a connected person of the Company pursuant to rule 14A.13(1) of the Listing Rules. Accordingly, both the Loan Extension and the Assignment constitute connected transactions of the Company.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Assignment is more than 25% but all applicable percentage ratios are less than 75%, the Assignment also constitutes a major transaction of the Company pursuant to rule 14.06 of the Listing Rules. The Assignment is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

Further, as the Loan Extension represented financial assistance provided by connected persons of the Company for the benefit of the Group, which were on normal commercial terms or better and were not secured by the assets of the Group, and were therefore fully exempt from the reporting, announcement and Independent Shareholders' approval requirements for connected transactions pursuant to rule 14A.90 of the Listing Rules.

(B) PROVISION OF FINANCIAL ASSISTANCE

As at the date of this announcement, Myway Developments is a wholly owned subsidiary of Power Rider, and is therefore a connected person of the Company pursuant to rule 14A.13(1) of the Listing Rules. Accordingly, the Financial Assistance constitutes a connected transaction of the Company.

Although some of the applicable percentage ratios in respect of the Financial Assistance exceed 100%, the Financial Assistance is not an acquisition by the Company and constitutes as a major transaction (instead of a very substantial acquisition) for the Company pursuant to rule 14.06 of the Listing Rules.

The Financial Assistance is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

(C) THE RENEWAL OF THE FRAMEWORK AGREEMENT

As at the date of this announcement, Haimen Zendai is an indirect 90.9% owned subsidiary of Myway Developments and is therefore a connected person of the Company pursuant to rule 14A.13(1) of the Listing Rules. Yachang Yinghui is an indirect wholly owned subsidiary of the Company. Accordingly, the transactions contemplated under the Renewed Framework Agreement constitutes continuing connected transactions of the Company.

The Renewal of the Framework Agreement is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

SGM

The SGM will be convened and held to consider and, if thought fit, approve (i) the Set-off Deed, (ii) the Loan Extension Agreement and (iii) the Renewed Framework Agreement and the transactions contemplated thereunder (including (i) the Assignment, (ii) the provision of the Financial Assistance and (iii) the Renewal of the Framework Agreement).

Since Nantong Sanjian guarantees to Power Rider the punctual payment of the Put Option Principal Amount by the Company to Power Rider under the Extension Deed, to avoid any doubt of material interests, Nantong Sanjian and its associates will abstain from voting on the resolution(s) in respect of the Set-off Deed and the transactions contemplated thereunder at the SGM. Since Smart Success is an associate of the relevant parties to the Agreements and the transactions contemplated thereunder, Smart Success and its associates are required to abstain from voting on all the resolutions in respect of the Agreements and the transactions contemplated thereunder at the SGM pursuant to rule 2.16 of the Listing Rules. Save for the above, none of the other Shareholders has a material interest in the Agreements and the transactions contemplated thereunder (including (i) the Assignment, (ii) the provision of the Financial Assistance and (iii) the Renewal of the Framework Agreement) and therefore no other Shareholder will be required to abstain from voting on the resolution(s) in respect of the Agreements and the transactions contemplated thereunder (including (i) the Assignment, (ii) the provision of the Financial Assistance and (iii) the Renewal of the Framework Agreement) at the SGM.

The Independent Board Committee comprising Dr. Guan Huanfei, Mr. Cao Hailiang, Dr. Lin Xinzhu and Mr. Wang Yuzhou, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Set-off Deed, the Loan Extension Agreement and the Renewed Framework Agreement and the transactions contemplated thereunder (including the (i) Assignment, (ii) the provision of the Financial Assistance and (iii) the Renewal of the Framework Agreement). Crescendo Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) details of the Extension Deed, the Set-off Deed, the Loan Extension Agreement and the Renewed Framework Agreement and the transactions contemplated thereunder (including the Assignment, the provision of the Financial Assistance and the Renewal of the Framework Agreement); (ii) the letter of recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder (including the Assignment, the provision of the Financial Assistance and the Renewal of the Framework Agreement); (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder (including the Assignment, the provision of the Financial Assistance and the Renewal of the Framework Agreement); (iv) a notice convening the SGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 23 December 2024.

DEFINITIONS

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

“2022 VSD”	the very substantial disposal in relation to the disposal of the entire equity interests in Myway Developments by the Group in 2022, as set out in the announcements of the Company dated 7 June 2022 and 27 December 2022, and the circular of the Company dated 30 June 2022
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day(s) (excluding Saturday, Sunday, public holiday and any day on which typhoon signal No. 8 or above or a black rainstorm signal is hoisted during 9 a.m. to 5 p.m.) on which banks are generally open in Hong Kong to the general public for business
“COAMI”	China Orient Asset Management (International) Holding Limited, a company incorporated in Hong Kong with limited liability
“Company”	DevGreat Group Limited (大方廣瑞德集團有限公司), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 755)
“Director(s)”	the director(s) of the Company
“Effective Date”	31 May 2024

“Extension Deed”	the second amendment and restatement deed dated 29 November 2024 entered into among the Company, Power Rider and Haimen Zendai, subject to the Shareholders' approval of the same
“Extended Repayment Date”	31 December 2027
“Framework Agreement”	the framework agreement dated 7 June 2022 entered into between the Company and Power Rider in relation to the appointment of the remaining group to provide services for the development, operation and management of the property projects of the disposal group after completion
“Group”	the Company and its subsidiaries
“Haimen Project”	Haimen Zhengda Riverside Garden, located at Binjiang Street, Economic and Technological Development Zone, Haimen District, Nantong City, with a total site area of approximately 1.6 million square meters, being the property development project undertaken by Haimen Zendai under the Real Estate Management Agreement
“Haimen Zendai”	海門証大濱江置業有限公司 (Haimen Zendai Binjiang Real Estate Co., Ltd.*), a company established in the PRC with limited liability and an indirect 90.9% owned subsidiary of Myway Developments and Power Rider as at the date of this announcement
“HKD”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, established to advise the Independent Shareholders on the Agreements and the transactions contemplated thereunder
“Independent Financial Adviser”	Crescendo Capital Limited, a licensed corporation to carry out Type 6 regulated activity (advising on corporate finance) under the SFO, being the independent financial adviser engaged by the Company to advise the Independent Board Committee and Independent Shareholders on the Agreements and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than Nantong Sanjian, Smart Success and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Extension Agreement”	the supplemental agreement in relation to the confirmation and extension of loan (債權債務確認協議的補充協議) dated 29 November 2024 entered into by amongst others, the Company, Myway Developments and Power Rider, subject to the Shareholders' approval of the same

“Long Profit Repayment Proceeds”	any payment made by Haimen Zendai on behalf of Long Profit Group Limited for the purpose of discharging, repaying, or settling any of the relevant liabilities, whether in its capacity as a guarantor thereof or otherwise, as defined in the Extension Deed
“Myway Developments”	Myway Developments Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of Power Rider
“Myway Group”	Myway Developments and its subsidiaries from time to time
“Myway Repayment Proceeds”	any payment made by Haimen Zendai on behalf of Myway Group for the purpose of discharging, repaying, or settling any of the relevant liabilities to the Group, whether in its capacity as a guarantor thereof or otherwise as defined in the Extension Deed
“Nantong Sanjian”	Nantong Sanjian Holding (HK) Co., Limited, a company incorporated in Hong Kong and a holding company of a substantial Shareholder of the Company and therefore a connected person of the Company under Chapter 14A of the Listing Rules
“Outstanding Balances”	the outstanding net balances owed by Myway Developments to the Group pursuant to the completion of the 2022 VSD, which amounted to (i) RMB639,500,660.61 (equivalent to approximately HKD692,437,508.10) (among which RMB581,355,712.35 shall be principal amount and RMB58,144,948.26 shall be interest accrued thereon) as at the Effective Date immediately before the completion of the Assignment; and (ii) RMB561,449,820.78 (equivalent to approximately HKD607,925,743.90) as at the Effective Date immediately upon the completion of the Assignment (as the amount of the Outstanding Balances would be set off by the Partial Outstanding Balance of approximately RMB78,050,839.83 (equivalent to approximately HKD84,511,764.19) immediately upon the completion of the Assignment)
“Partial Outstanding Balance”	RMB78,050,839.83 (equivalent to approximately HKD84,511,764.19) (among which RMB20,320,498.64 shall be principal amount and RMB57,730,341.19 shall be interest accrued thereon) due and payable by Haimen Zendai to the Company as at the Effective date
“Power Rider”	Power Rider Enterprises Corp., a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of COAMI
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macao Special Administrative Region and Taiwan
“Renewed Framework Agreement”	the supplemental agreement to the Real Estate Management Agreement (房地產項目委託開發管理協議之補充協議) dated 29 November 2024 entered into between Haimen Zendai and Yachang Yinghui, subject to the Shareholders’ approval of the same

“RMB”	Renminbi, the lawful currency of the PRC
“Set-off Deed”	the assignment and set-off deed dated 29 November 2024 entered into among the Company, Power Rider and Haimen Zendai, subject to the Shareholders’ approval of the same
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Agreements and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HKD0.02 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Smart Success”	Smart Success Capital Ltd., a company incorporated in the British Virgin Islands with limited liability and a substantial Shareholder of the Company as at the date of the announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed to it under the Listing Rules
“Yachang Yinghui”	上海雅昶盈暉企業管理有限公司 (Shanghai Yachang Yinghui Enterprise Management Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly owned subsidiary of the Company as at the date of this announcement
“%”	per cent

In this announcement, unless otherwise specified, amounts in RMB were converted into HKD on the basis of RMB0.92355 = HKD1 as quoted on the website of the People’s Bank of China on 29 November 2024. The conversion rate is for illustration purposes only and should not be taken as a representation that RMB could actually be converted into HKD at such rate or at other rates or at all.

By order of the Board
DevGreat Group Limited
Huang Yuhui
Chairman of the Board

Hong Kong, 29 November 2024

As at the date of this announcement, the executive Directors are Mr. Huang Yuhui, Mr. Wang Letian, Ms. Li Zhen and Mr. Long Tianyu, the non-executive Directors are Ms. Wang Zheng, Mr. Zou Yang and Mr. Guo Haomiao, and the independent non-executive Directors are Dr. Guan Huanfei, Mr. Cao Hailiang, Dr. Lin Xinzhu and Mr. Wang Yuzhou.

* For identification purpose only