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雅居樂

## **AGILE GROUP HOLDINGS LIMITED**

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

**(Stock Code: 3383)**

### **DISCLOSEABLE TRANSACTION PROVISION OF LOAN AND FORMATION OF JOINT VENTURE COMPANY**

On 9 November 2016, Zhongying, Nanjing Agile, Changkai and Yangguang Haidi entered into the Joint Venture Agreement pursuant to which Nanjing Agile agrees, amongst other things, (i) to inject RMB300 million into Changkai as its new registered capital and thereby to own 50% of its equity interests; and (ii) to provide a loan of RMB3,000 million to Changkai, which will then be lent by Changkai to Zhongying for repayment of third party loans of Zhongying and Yangguang Haidi as approved by Nanjing Agile and Changkai. Changkai is the registered owner of the Land.

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Joint Venture Agreement are above 5% but less than 25%, the entering into of the Joint Venture Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

#### **INTRODUCTION**

On 9 November 2016, Zhongying, Nanjing Agile, Changkai and Yangguang Haidi entered into the Joint Venture Agreement pursuant to which Nanjing Agile agrees, amongst other things, (i) to inject RMB300 million into Changkai as its new registered capital and thereby to own 50% of its equity interests; and (ii) to provide a loan of RMB3,000 million to Changkai, which will then be lent by Changkai to Zhongying for repayment of third party loans of Zhongying and Yangguang Haidi as approved by Nanjing Agile and Changkai. Changkai is the registered owner of the Land.

The major terms of the Joint Venture Agreement are set out below:

## **THE JOINT VENTURE AGREEMENT**

### **Date:**

9 November 2016

### **Parties:**

- (a) Zhongying
- (b) Nanjing Agile
- (c) Changkai
- (d) Yangguang Haidi

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Zhongying, Changkai and Yangguang Haidi and their ultimate beneficial owners are Independent Third Parties.

### **Total Commitment**

Pursuant to the Joint Venture Agreement, the total commitment of Nanjing Agile is RMB3,300 million ("Total Commitment"), consisting of the following:-

- (a) an amount of RMB300 million to be contributed towards the new registered capital of Changkai and thereby to own 50% of its equity interests; and
- (b) a loan of RMB3,000 million to Changkai, which will then be lent by Changkai to Zhongying for repayment of third party loans of Zhongying and Yangguang Haidi as approved by Nanjing Agile and Changkai.

The Total Commitment payable by Nanjing Agile under the Joint Venture Agreement was agreed between the parties after arm's length negotiations with reference to, amongst other things, the registered capital and net asset value of Changkai and the development potential of the Land. As at the date of this announcement, no valuation in relation to the Land has been obtained. The Total Commitment is intended to be financed by the internal resources of the Group.

### ***Increase in registered capital of Changkai***

Nanjing Agile shall inject RMB300 million into Changkai as its new registered capital and thereby to own 50% of its equity interests. Nanjing Agile shall inject such funds within 2 working days subject to, amongst other things, the fulfilment of the following conditions:

- (a) Zhongying becoming the registered and beneficial owner of the entire equity interests in Changkai, having released all charges, mortgages and encumbrances over its entire equity interests in Changkai, and repayment of the third party loans by Zhongying and Yangguang Haidi;
- (b) Zhongying shall have completed the registration of charging its entire equity interests in Changkai to Nanjing Agile; and

- (c) Zhongying, Nanjing Agile and Changkai having proceeded with the registration of the increase in the registered capital of Changkai with the relevant governmental authorities within one working day after the charge of entire equity interests in Changkai by Zhongying in favour of Nanjing Agile.

### ***Provision of loan to Changkai***

Nanjing Agile shall provide a loan of RMB3,000 million to Changkai which will then be lent by Changkai to Zhongying for repayment of third party loans of Zhongying and Yangguang Haidi as approved by Nanjing Agile and Changkai. The provision of this loan will be subject to the fulfilment of the following conditions precedent, amongst which:-

- (a) Wuhan Investments charges its 41% equity interests in Zhongying to Nanjing Agile;
- (b) all charges, mortgages, and encumbrances over Zhongying's interests in the entire equity interests in Changkai having been released and Nanjing Agile receiving the necessary documents to show that Zhongying will become the registered and beneficial owner of the entire equity interests in Changkai;
- (c) all relevant approvals and authorizations from banks, governmental authorities having been obtained for the charge of the entire equity interests in Changkai by Zhongying in favour of Nanjing Agile; and
- (d) Nanjing Agile receives all information and chops of Changkai.

### **Information of the Land:**

Changkai is the registered owner of the Land which is situated at 武漢市江夏區廟山辦事處鄔樹村 (Wuhanshi Jiangxiaqu Miaoshan Banshichu Wushu Village<sup>\*\*\*</sup>) with a site area of approximately 406,582.82 square metres registered under land use rights certificate 鄂(2016)武漢市江夏不動產權第0000388號 (E(2016)Wuhanshi Jiangxia Property Certificate No.0000388<sup>\*\*\*</sup>). The land is for residential use for a term of 70 years.

### **Repayment and Interests**

The loan of RMB3,000 million to be provided by Nanjing Agile to Changkai shall be interest bearing.

### **Management of Changkai**

Pursuant to the Joint Venture Agreement, Zhongying and Nanjing Agile shall manage the affairs of Changkai jointly. The board of directors shall consist of 4 persons in which Zhongying shall have the right to nominate 2 directors and Nanjing Agile shall have the right to nominate 2 directors. Nanjing Agile shall have the right to nominate the chairman of the board of directors.

The parties further agree that Nanjing Agile shall be responsible for the management in relation to the development of the Land whereby Nanjing Agile shall be entitled to a monthly management fee of 4% of the total amount of contracted sales (inclusive of tax). Nanjing Agile shall be solely responsible for assisting in the development of the Land. In addition, Nanjing Agile shall have the right to introduce a potential investor after the Joint Venture Agreement becoming effective in order to jointly develop the Land.

## Profit distribution

The parties agree that if the net profit is RMB3,300 million, Nanjing Agile shall be entitled to RMB300 million and Zhongying shall be entitled to the remaining portion. If the net profit is less than RMB3,300 million, Nanjing Agile and Zhongying shall distribute the net profit in accordance with the above ratio. Zhongying shall use such net profits to repay its outstanding loan to Changkai. The parties agree to a profit distribution between Zhongying and Nanjing Agile in the ratio of 4:6 for the portion of net profit exceeding RMB3,300 million.

## Termination

If Zhongying fails to register the change in relation to the increase in registered capital of Changkai in accordance with the time limit prescribed in the Joint Venture Agreement, Zhongying shall pay RMB3 million to Nanjing Agile on a daily basis as compensation up to a period of 7 days. If such registration could not be completed after the said 7 days, Nanjing Agile shall have the right to rescind the Joint Venture Agreement, and Zhongying shall pay a further sum of RMB300 million to Nanjing Agile as compensation and to repay the loan of RMB3,000 million to Nanjing Agile or a third party nominated by it.

If there is a breach of warranties and representations of the Joint Venture Agreement by Zhongying which will cause or has caused Nanjing Agile or Changkai to suffer serious economic loss, Zhongying shall pay a sum of RMB300 million to Nanjing Agile as compensation.

If Nanjing Agile fails to provide RMB300 million as the new registered capital of Changkai in accordance with the terms of the Joint Venture Agreement, Nanjing Agile shall pay Zhongying RMB3 million on a daily basis. In addition, if Nanjing Agile fails to provide the loan of RMB 3,000 million to Changkai in accordance with the terms of the Joint Venture Agreement, Nanjing Agile shall pay Zhongying RMB3 million on a daily basis as compensation up to a maximum of 300 million. Zhongying will have the right to rescind the Joint Venture Agreement if such loan is not paid after 2 working days.

## FINANCIAL INFORMATION OF CHANGKAI

Set out below is the unaudited financial information of Changkai for the two years ended 31 December 2015 prepared in accordance with generally accepted accounting principles in the PRC:

	For the year ended 31 December	
	<i>(RMB)</i>	
	2014	2015
Net profit (before taxation)	(1,490,646.99)	(779,703.31)
Net profit (after taxation)	(1,490,646.99)	(779,703.31)

## INFORMATION OF CHANGKAI

Changkai is a company established in the PRC with limited liability with its registered address situated in 武漢市江夏區廟山開發區江夏大道凱迪工業園管委會對面 (Jiangxia Avenue opposite Kaidi Industrial Park Development Zone Administrative Committee of Wuhan City Jiangxia Miaoshan<sup>\*\*\*</sup>) and is the registered owner of the Land. As at the date of this announcement, the entire equity interests in Changkai is being held by an Independent Third Party as security of the outstanding loan(s) owed to it by Zhongying and Yangguang Haidi. The registered and fully paid up capital of Changkai is RMB309,642,247. The principal business of Changkai is property development and sales of commercial residential properties. Upon the

Joint Venture Agreement becoming effective and the completion of the registration of new registered capital of Changkai, Zhongying and Nanjing Agile shall each own 50% equity interests in Changkai. The financial results, assets and liabilities of Changkai will not be consolidated into the Group as Changkai will not be a subsidiary of the Company.

## **INFORMATION OF THE GROUP**

The Group is one of the leading property developers in China and is principally engaged in the development of large-scale comprehensive property projects, with extensive presence in the businesses of hotel operations, property investment, property management and environmental protection.

## **REASONS FOR AND BENEFITS**

The Board believes that the stable economic growth of the PRC, coupled with a relatively easy keynote of policies over the property market, has continued to release the demand of first time home buyers, contributing to a quick pick-up in the trading volume in the market. It is intended that the Land will be developed for commercial and residential purposes. The entering into of the Joint Venture Agreement will enable the Group to generate income and provide capital appreciation potential to the Group.

In view of the above, the Directors are of the view that the terms of the Joint Venture Agreement are fair and reasonable and the entering into of the Joint Venture Agreement is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Joint Venture Agreement are above 5% but less than 25%, the entering into of the Joint Venture Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

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

“Board”	board of Directors;
“Changkai”	武漢長凱物業發展有限公司 (Wuhan Changkai Property Development Company Limited <sup>***</sup> ), a company established in the PRC with limited liability on 6 March 2000;
“Company”	Agile Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 14 July 2005, the Shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“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 persons;
“Joint Venture Agreement”	a joint venture agreement dated 9 November 2016 and entered into between Zhongying, Nanjing Agile, Changkai and Yangguang Haidi;
“Land”	a piece of land situated at 武漢市江夏區廟山辦事處鄔樹村 (Wuhanshi Jiangxiaqu Miaoshan Banshichu Wushu Village <sup>***</sup> ) with a site area of approximately 406,582.82 square metres and a permitted plot ratio between 1.0 and 1.97 registered under land use rights certificate 鄂(2016) 武漢市江夏不動產權第0000388號 (E (2016) Wuhanshi Jiangxia Property Certificate No.0000388 <sup>***</sup> );
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Nanjing Agile”	南京雅居樂房地產開發有限公司(Nanjing Agile Real Estate Development Co., Ltd. <sup>***</sup> ), a company established in the PRC with limited liability on 30 April 2006 and is an indirect wholly-owned subsidiary of the Company;
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules;
“PRC”	The People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shares”	ordinary share(s) in the capital of the Company with a nominal value of HK\$0.10 each;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“working day(s)”	a day (other than Saturday) on which the banks are open for business in the PRC;
“Wuhan Investments”	武漢環科投資有限公司(Wuhan Huanke Investment Company Limited <sup>***</sup> ), a company established in the PRC with limited liability and is a substantial shareholder of Zhongying and is an Independent Third Party;
“Yangguang Haidi”	陽光凱迪新能源集團有限公司 (Yangguang Haidi New Energy Investments Company Limited <sup>***</sup> ), a company established in the PRC with limited liability and is an Independent Third Party and under the same group as Zhongying;

“Zhongying”

中盈長江國際新能源投資有限公司 (Zhongying Changjiang International New Energy Investments Company Limited<sup>\*\*\*</sup>), a company established in the PRC with limited liability and is an Independent Third Party and under the same group as Yangguang Haidi; and

“%”

per cent

By Order of the Board  
**Agile Group Holdings Limited**  
**Chen Zhuo Lin**  
*Chairman and President*

Hong Kong, 9 November 2016

*As at the date of this announcement, the Board comprises thirteen 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#, Mr. Kwong Che Keung, Gordon#, Mr. Cheung Wing Yui, Edward#, 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*