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AGILE GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3383)

DISCLOSEABLE TRANSACTION IN RELATION TO THE COOPERATIVE AGREEMENT

THE COOPERATIVE AGREEMENT

The Board is pleased to announce that on 11 December 2018, Huizhou Bailuhu (an indirect wholly-owned subsidiary of the Company), Shenzhen Chuangyu and the Project Company entered into the Cooperative Agreement, pursuant to which Huizhou Bailuhu and Shenzhen Chuangyu shall jointly invest and develop the Cooperative Land. Pursuant to the terms of the Cooperative Agreement, Shenzhen Chuangyu has agreed to pay Huizhou Bailuhu for the Acquisition of Equity Interests at the consideration of RMB987,699,647.76 and to contribute RMB987,699,647.76 to the Project Company.

LISTING RULES IMPLICATIONS

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

THE COOPERATIVE AGREEMENT

Date:

11 December 2018

Parties:

- (a) Huizhou Bailuhu
- (b) Shenzhen Chuangyu
- (c) the Project Company

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the ultimate beneficial owners of Shenzhen Chuangyu is a substantial shareholder of an insignificant subsidiary of the Company and of a joint venture company of the Group, other than that, Shenzhen Chuangyu together with its ultimate beneficial owners, are Independent Third Parties.

Subject matter

On 11 December 2018, Huizhou Bailuhu, Shenzhen Chuangyu and the Project Company entered into the Cooperative Agreement, pursuant to which Huizhou Bailuhu and Shenzhen Chuangyu shall jointly invest and develop the Cooperative Land. Pursuant to the terms of the Cooperative Agreement, Shenzhen Chuangyu has agreed to pay Huizhou Bailuhu for the Acquisition of Equity Interests at the consideration of RMB987,699,647.76 and to contribute RMB987,699,647.76 to the Project Company.

RMB987,699,647.76 being the consideration for the Acquisition of Equity Interests shall be paid by Shenzhen Chuangyu to Huizhou Bailuhu within five (5) working days after all of the Conditions have been fulfilled or waived (as the case may be). RMB987,699,647.76 shall also be contributed to the Project Company within five (5) working days after all of the Conditions have been fulfilled or waived (as the case may be).

The Parties agree that in the event of any discrepancy between the total gross floor area of any land parcels constituting the Cooperative Land as stated in the new land use right certificate(s) and those set out in the Cooperative Agreement, the consideration payable by Shenzhen Chuangyu for the Acquisition of Equity Interests shall be adjusted accordingly in accordance with the terms of the Cooperative Agreement within 15 days from the date of the issue of such new certificates or such other later date as the Parties may agree in writing.

The amounts to be paid by Shenzhen Chuangyu were agreed after arm's length commercial negotiations among the Parties with reference to the cooperation model of the Transaction and the profit distribution in relation the development of the Cooperative Land.

Conditions

Completion is conditional upon, among other things, the following Conditions being satisfied or waived by written consent of Shenzhen Chuangyu:-

- (a) the Project Company is legally established and constituted and is validly subsisting under the laws of PRC. All necessary approvals and permits for the establishment of the Project Company have been obtained and are still valid;
- (b) all of the documents in relation to this Transaction have been executed and becoming effective and the Parties have obtained all necessary internal approval(s) and have made all necessary disclosure (if applicable) in accordance with their respective articles of association and applicable laws;
- (c) the Project Company have obtained the letters from its creditors to various loan agreements granting unconditional consent for the Project Company's entering into of this Transaction and such creditors having released the joint custody in relation to the business registration certificate and chops of the Project Company as well as having relaxed its financial supervision measures;
- (d) the Project Company have obtained approval from the relevant government authorities in relation to 《“雅居乐花园”总体规划设计方案》(Proposal for planning and design of “Agile Garden”****);
- (e) Shenzhen Chuangyu is duly registered as the holder of 22% equity interests in the Project Company and the articles of association the Project Company have been duly filed with the administrative department for industry and commerce;
- (f) the new board of directors of the Project Company have been duly constituted and the directors have been nominated by relevant Parties and duly appointed, and have been duly registered with administrative department for industry and commerce;
- (g) the new supervisor and senior management of the Project Company have been nominated and appointed in accordance with the provisions in the Cooperative Agreement and commenced work; and completed relevant registration with the administrative department for industry and commerce (if required); the new supervisor and senior management of the Project Company have been empowered with the authority to perform their duties in accordance with the Cooperative Agreement;
- (h) the deputy general manager of the Project Company have been nominated by Shenzhen Chuangyu and appointed in accordance with the Cooperative Agreement and having commenced work; such deputy general manager having empowered with the authority to perform his/her duties in accordance with the Cooperative Agreement;
- (i) all funds, company chops, licences and other operational management matters of the Project Company are being supervised and managed in accordance with the terms of the Cooperative Agreement;
- (j) there being no material adverse change in the Project Company and Huizhou Bailuhu after the signing of the Cooperative Agreement;

- (k) before the payments by Shenzhen Chuangyu are effected, due diligence on Huizhou Bailuhu, the Project Company and the Cooperative Land have been completed and the results are satisfactory to Shenzhen Chuangyu or alternatively if Shenzhen Chuangyu is not satisfied with the results of the due diligence and Huizhou Bailuhu have effected necessary measures for ratification to the satisfaction of Shenzhen Chuangyu. For the avoidance of doubt, Shenzhen Chuangyu has the right to conduct further due diligence investigation before the Completion;
- (l) there being no occurrence of any event of default as described in the documents relating to the Transaction executed or to be executed by Huizhou Bailuhu and the Project Company (including but not limited to any representations, warranties and undertakings provisions in the Cooperative Agreement) or any default that may affect Shenzhen Chuangyu's right under the Cooperative Agreement.

Upon entering into of the Cooperative Agreement, Huizhou Bailuhu and the Project Company shall use all reasonable endeavours to fulfil the above Conditions unless Shenzhen Chuangyu waives the fulfillment of any of the above Conditions by notice in writing to the other Parties. Huizhou Bailuhu shall fulfil all of the Conditions before 15 December 2018 (“**Long Stop Date**”). In the event all of the above Conditions have not been fulfilled or waived before the Long Stop Date, Shenzhen Chuangyu may elect either to extend such Long Stop Date to 28 December 2018 (the “**Extended Date**”) or to terminate the Transaction. In the event Shenzhen Chuangyu exercises its right to extend the period for fulfillment of all of Conditions but all the Conditions have not been fulfilled by the Extended Date, the Transaction shall be terminated unless the Parties agree otherwise.

Completion

Huizhou Bailuhu shall provide a completion proposal to Shenzhen Chuangyu within fifteen (15) working days after the signing of the Cooperative Agreement which shall include, but not limited to, the following items:-

- (i) Huizhou Bailuhu and Shenzhen Chuangyu shall destroy old company chops and engrave new company chops of the Project Company, the Cooperative Land and the Excluded Land (as defined below) within a specified period of time and both Huizhou Bailuhu and Shenzhen Chuangyu shall confirm the samples of old and new company chops in writing;
- (ii) Huizhou Bailuhu shall compile a detailed list of all project documents and information in relation to the Project Company and the Cooperative Land within a specified period of time and shall submit the same to Shenzhen Changyu for joint custody;
- (iii) Huizhou Bailuhu shall prepare a completion proposal in relation to matters pertaining to all employees, assets and project management of the Project Company within a specified period of time.

Completion shall take place subject to the completion proposal as confirmed by Shenzhen Chuangyu having been executed and on such date as approved by Shenzhen Chuangyu in writing.

Upon Completion, the Project Company will be owned as to 78% and 22% by Huizhou Bailuhu and Shenzhen Chuangyu respectively and will remain as a subsidiary of the Company.

Management of the Project Company

The board of directors of the Project Company shall comprise of three directors, two of whom shall be nominated by Huizhou Bailuhu and the remaining director shall be nominated by Shenzhen Chuangyu. The chairman of the board of directors, who shall also be the legal representative of the Project Company, shall be nominated by Huizhou Bailuhu.

INFORMATION OF THE COOPERATIVE LAND

The Project Company has obtained six parcels of land for the development of “雅居樂花園” (Agile Garden***) (“**Agile Garden Land**”), the parcel of land for the development of 瓏禧花園 (Long Xi Garden***) (“**Long Xi Land**”), the 排浪二 land parcel (Pailianger land parcel***) (“**Pailiang Land**”), the 石陂 land parcel (Shipo land parcel***) (“**Shipo Land**”) and proposes to acquire the 高壓走廊 land parcel (Gaoyazhoulang land parcel***) (“**Gaoyazhoulang Land**”), which are situated at Huizhou City, Guangdong Province, the PRC. Agile Garden Land will be divided into twelve parcels of land for the purpose of development, including six phases, school A and school B etc. Huizhou Bailuhu will solely develop phase one, phase three, phase four, school A, school B of the Agile Garden Land and the Long Xi Land (“**Excluded Land**”) whilst Huizhou Bailuhu and Shenzhen Chuangyu will jointly develop phase two, phase five, phase six of the Agile Garden Land, the Pailiang Land, the Shipo Land and Gaoyazhoulang Land (“**Cooperative Land**”). The total site area and the total gross floor area of the Cooperative Land are 593,715.00 and 1,708,822.92 square metres respectively.

INFORMATION OF THE PROJECT COMPANY

The Project Company is a company established in the PRC with limited liability on 11 April 2011. The principal businesses of the Project Company are real estate development and operation; property management and leasing of self-owned properties. The Project Company is owned as to 100% by Huizhou Bailuhu.

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, hotel operations, property investment, environmental protection and construction.

INFORMATION OF HUIZHOU BAILUHU

Huizhou Bailuhu is a company established in the PRC with limited liability on 26 August 2002 and is an indirect wholly-owned subsidiary of the Company. It holds 100% equity interests in the Project Company and its principal businesses include the provisions of comprehensive development, construction, operation of apartments, commercial buildings, office, tourism and commercial facilities and the rental, sale and property management of property project. Other businesses include operating and managing hotels (including tourism, catering services and hotel supporting services).

INFORMATION OF SHENZHEN CHUANGYU

Shenzhen Chuangyu is a company established in the PRC with limited liability on 29 September 2018 and is an Independent Third Party. It is principally engaged in business management consultancy; leasing of self-owned properties; property management and project management services .

FINANCIAL INFORMATION OF THE PROJECT COMPANY

Based on the audited financial statements of the Project Company, the loss/profit of the Project Company for the two financial years ended 31 December 2016 and 31 December 2017 were as follows:-

	For the financial year ended 31 December 2016	For the financial year ended 31 December 2017
Net (loss) / profit before taxation	Approximately RMB(196,878,000)	Approximately RMB473,553,000
Net (loss) / profit after taxation	Approximately RMB(141,424,000)	Approximately RMB264,251,000

The unaudited net asset value of the Project Company as at 30 September 2018 was approximately RMB847,321,000.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Directors believe that the entering into of the Cooperative Agreement is beneficial to the Company and the Shareholders as a whole as it could diversify its financial exposure and leverage the expertise of both the Group and Shenzhen Chuangyu in the property market.

In view of the above, the Directors are of the view that the terms of the Transaction under the Cooperative Agreement are fair and reasonable and the entering into of the Transaction by Huizhou Bailuhu is in the interests of the Group 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 Transaction is above 5% but less than 25%, the entering into of the Transaction under the Cooperative Agreement constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition of Equity Interests”	acquisition by Shenzhen Chuangyu of 22% equity interests in the Project Company;
“Board”	board of Directors;
“Company”	Agile Group Holdings Limited, an exempted company incorporated in the Cayman Islands on 14 July 2005, the Shares of which are listed on the Main Board of the Stock Exchange;
“Completion”	completion of the Transaction in accordance with the terms of the Cooperative Agreement;
“Conditions”	the conditions set out in the section headed “Conditions” in this announcement;
“Cooperative Agreement”	a cooperative agreement dated 11 December 2018 and entered into between Huizhou Bailuhu, Shenzhen Chuangyu and the Project Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huizhou Bailuhu”	惠州白鷺湖旅遊實業開發有限公司 (Huizhou Bailuhu Tour Enterprise Development Co., Ltd.***), a company established in the PRC with limited liability on 26 August 2002 and is an indirect wholly-owned subsidiary of the Company;
“Independent Third Party(ies)”	person(s) or company(ies) who/which is (are) independent of the Company and its connected persons;
“Parties”	Huizhou Bailuhu, Shenzhen Chuangyu and the Project Company, being the parties to the Cooperative Agreement and a “Party” shall mean each and any one of them as the context may require;
“Project Company”	惠州市惠陽雅居樂房地產開發有限公司 (Huizhou Huiyang Agile Real Estate Development Co., Ltd.***), a company established in the PRC with limited liability on 11 April 2011 and is owned as to 100% by Huizhou Bailuhu;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;

“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;
“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)”	shareholder(s) of the Company;
“Shenzhen Chuangyu”	深圳市創喻企業管理有限公司 (Shenzhen Chuangyu Enterprise Management Co., Ltd.***), a company established in the PRC with limited liability on 29 September 2018 and is an Independent Third Party;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the relevant transaction contemplated under the Cooperative Agreement which constitutes discloseable transaction for the Company;
“%”	per cent.

On behalf of the Board
Agile Group Holdings Limited
Lam Ping Yuk
Company Secretary

Hong Kong, 11 December 2018

As at the date of this announcement, the Board comprises twelve 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. 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*