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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 18 December 2019, the Agile Subsidiaries, all being indirect wholly-owned subsidiaries of the Company, the Investor and the Project Company entered into the Cooperative Agreement, pursuant to which the Agile Subsidiaries and the Investor shall jointly invest and develop the Cooperative Land. Pursuant to the terms of the Cooperative Agreement, the Investor has agreed to pay RMB733,485,405 to the Relevant Agile Subsidiaries for the Acquisition of Equity Interests and to contribute RMB932,602,109 to the Project Company.

LISTING RULES IMPLICATIONS

As disclosed in the announcements of the Company dated 11 December 2018 and 27 February 2019, Shenzhen Chuangyu (as defined in those announcements) acquired interests in, and contributed funds to, a previous direct subsidiary of the Project Company (the “**Previous Transaction**”). Shenzhen Chuangyu and the Investor are both indirect subsidiaries of Ping An.

In accordance with Rule 14.22 of the Listing Rules, as Shenzhen Chuangyu is related to the Investor, the Transaction and the Previous Transaction are aggregated for the calculation of the applicable percentage ratios under Rule 14.07 of the Listing Rules.

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction and the Previous Transaction (aggregated together) 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

The principal terms of the Cooperative Agreement are set out below:

Date

18 December 2019

Parties

- (a) the Agile Subsidiaries;
- (b) the Investor; and
- (c) the Project Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, the ultimate beneficial owner of the Investor (and that of Shenzhen Chuangyu) is the substantial shareholder of insignificant subsidiaries of the Company and joint venture companies of the Group. Other than the aforesaid, the Investor and its ultimate beneficial owner are Independent Third Parties.

Subject matter

Pursuant to the Cooperative Agreement, the Agile Subsidiaries, the Investor and the Project Company shall jointly invest and develop the Cooperative Land in the agreed proportion of 51:49 amongst the Agile Subsidiaries and the Investor (the "**Agreed Proportion**"). The Investor will not participate and have any interests or rights in the Excluded Land and the equity interest of other companies held by the Project Company.

Amounts to be paid by the Investor

Pursuant to the terms of the Cooperative Agreement, the Investor has agreed to pay a total sum of RMB733,485,405 (RMB146,697,081 and RMB586,788,324 to Panyu Agile and Dragon Charm respectively) to the Relevant Agile Subsidiaries for the Acquisition of Equity Interests (the "**Acquisition Price**") and to contribute RMB932,602,109 to the Project Company (the "**Contribution**").

Within three (3) working days after the registration of the Investor as the holder of 15% equity interest of the Project Company, the Investor shall (i) pay the Acquisition Price, being RMB733,485,405, to the Relevant Agile Subsidiaries; and (ii) pay the Contribution of RMB932,602,109 to the Project Company.

In the event that the Investor is unable to pay the Acquisition Price and the Contribution in accordance with the terms of the Cooperative Agreement, the Investor shall pay as liquidated damages to the Agile Subsidiaries a sum calculated at the daily rate of 0.05% of the outstanding amount of the Acquisition Price and the Contribution.

The Acquisition of Equity Interests and the Contribution were agreed after arm's length commercial negotiations among the Parties with reference to the cooperation model of the Transaction, the amount already contributed by the Agile Subsidiaries for the acquisition of the land use rights over the Cooperative Land and its development up to the date of the Cooperative Agreement, the estimated aggregate construction area of the Cooperative Land, the Agreed Proportion and the profit distribution in relation to the development of the Cooperative Land.

The Parties agree that in the event of any discrepancy between the actual aggregate construction area of the Cooperative Land as deduced from the land use right certificate(s) and the land use right transfer contracts against the estimated aggregate construction area of the Cooperative Land as set out in the Notice, the amounts payable by the Investor for the Acquisition of Equity Interests and for the contribution to the Project Company shall be adjusted accordingly in accordance with the terms of the Cooperative Agreement and the shortfall (or excess) will be paid by (or refunded to) the Investor within fifteen (15) days from the date of the issuance of such new certificates or such other later date as the Parties may agree.

Conditions

Completion is conditional upon, among other things, the following Conditions being satisfied or waived in writing by the Investor:

- (a) the Project Company being legally established, constituted and validly subsisting under the laws of PRC. All necessary approvals and permits for the establishment of the Project Company having been obtained and still valid;
- (b) all of the documents in relation to the Transaction having been executed and become effective, and the Parties having obtained all necessary internal approvals and made all necessary disclosures (if applicable) in accordance with their respective articles of association and applicable laws;
- (c) the Investor being duly registered as the holder of 15% equity interests in the Project Company and the articles of the Project Company having been duly filed with the relevant PRC governmental authorities and the new business licence of the Project Company having been obtained;

- (d) the new board of directors of the Project Company having been duly constituted and the directors nominated by the relevant Parties having been appointed and such changes having been filed with the relevant PRC governmental authorities;
- (e) the new supervisor and senior management of the Project Company having been nominated and appointed in accordance with the Cooperative Agreement, such changes having been filed with the relevant PRC governmental authorities, and such supervisor and senior management having or deemed to have commenced work;
- (f) the deputy general manager of the Project Company having been nominated and appointed in accordance with the Cooperative Agreement, and such deputy general manager having or deemed to have commenced work;
- (g) all funds, company chops, licences and other operational management matters of the Project Company being supervised and managed in accordance with the terms of the Cooperative Agreement or as otherwise agreed by the Parties;
- (h) there being no material adverse change to the Agile Subsidiaries and the Project Company after the signing of the Cooperative Agreement as reasonably determined by the Investor;
- (i) completion of due diligence investigations on the Agile Subsidiaries, the Project Company and their related parties, and the Cooperative Land having been completed to the satisfaction of the Investor and any matters which are not satisfactory to the Investor having been rectified by the Agile Subsidiaries. For the avoidance of doubt, the Investor has the right to conduct further due diligence investigation before the Completion;
- (j) the Agile Subsidiaries having signed a deed to charge the remaining 85% equity interest of the Project Company held by them in favour of the Investor as security for the fulfilment of all obligations of the Agile Subsidiaries under the Cooperative Agreement and supplemental agreement thereof (if any), and the said charge having been registered with the relevant PRC governmental authorities as the first ranking charge; and
- (k) there being no occurrence of any event of default as described in the documents relating to the Transaction executed or to be executed by the Agile Subsidiaries and the Project Company (including but not limited to any representation, warranty and undertaking provision in the Cooperative Agreement) or any circumstance that might affect the Investor's rights under the Cooperative Agreement.

Upon entering into of the Cooperative Agreement, the Agile Subsidiaries and the Project Company shall use all reasonable endeavours to fulfil the Conditions unless the Investor waives in writing the fulfilment of any of the Conditions. The Agile Subsidiaries shall fulfil all of the Conditions before 30 January 2020 (“**Long Stop Date**”). In the event the Conditions have not been fulfilled or waived before the Long Stop Date, the Investor

may elect either to extend such Long Stop Date to 30 April 2020 (the “**Extended Date**”) or to terminate all documents relating to the Transaction. In the event that the Conditions have not been fulfilled or waived before the Extended Date, all documents relating to the Transaction shall be terminated on the Extended Date unless otherwise agreed by the Parties.

In the event the Investor fails to pay the Acquisition Price and the Contribution on or before 30 April 2020, both Parties shall have the right to terminate the Cooperative Agreement.

In accordance to the provisions of the Cooperative Agreement, the Cooperative Agreement shall cease to have any effect after termination.

Completion

The Agile Subsidiaries shall provide a completion proposal to the Investor within five (5) working days after the signing of the Cooperative Agreement which shall include, but not limited to, the following:

- (a) the Agile Subsidiaries, together with the Investor, shall destroy all existing company chops and create new company chops for the Project Company, the Cooperative Land and the Excluded Land within a specified period of time. The Agile Subsidiaries and the Investor shall confirm the samples of the existing and new company chops in writing;
- (b) the Agile Subsidiaries 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 the Investor for joint custody; and
- (c) the Agile Subsidiaries 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 the Investor having been executed and on such date as approved by the Investor in writing.

Upon Completion, the Project Company will be owned as to 85% and 15% by the Agile Subsidiaries and the Investor respectively. Notwithstanding the Investor’s 15% equity interest in the Project Company, the Agile Subsidiaries and the Investor shall only invest and enjoy the benefits of the Cooperative Land in the Agreed Proportion, and the Agile Subsidiaries may redeem such equity interests at its then appraised value after the earlier of 31 December 2026 and the date when the Project Company has sold not less than 98% of the total saleable area of the Cooperative Land. The Investor will have no rights nor interests in the Excluded Land and equity interests of other companies held by the Project Company.

Pursuant to the Cooperative Agreement, all major matters to be approved by the board of directors and shareholders of the Project Company shall require unanimous approval of all of its directors and shareholders. As a result, Agile Subsidiaries will no longer have control over the board or shareholders' meeting of the Project Company. The Directors are of the view that the Project Company will be deemed to cease to be an indirect subsidiary of the Company and the accounts of which will not be consolidated to the Group's account.

Management of the Project Company

The board of directors of the Project Company shall comprise of three (3) directors, with two (2) of whom shall be nominated by the Agile Subsidiaries, and the remaining director shall be nominated by the Investor. The chairman of the board of directors, who shall also be the legal representative of the Project Company, shall be nominated by the Agile Subsidiaries.

The Project Company will also set up separate bank accounts and financial records, one set for all matters relating to the Cooperative Land and a separate set for all matters relating to the Excluded Land and the equity interests of companies held by the Project Company respectively.

The Parties shall also determine a budget for development of the Cooperative Land. The funding needs of the Project Company for development of the Cooperative Land shall be satisfied by loans from financial institutions and additional interest-bearing funds from the Agile Subsidiaries and the Investor in the Agreed Proportion up to the limit of the agreed budget.

Further funding for development of the Cooperative Land outside of the agreed budget and payment of any additional land costs and renewal fees shall be borne by the Agile Subsidiaries.

INFORMATION OF THE COOPERATIVE LAND

The Project Company has obtained forty nine (49) parcels of land. The Agile Subsidiaries and the Investor shall jointly develop seven (7) parcels of land, including lot numbers BLH-12, BLH-16, BLH-20, BLH-21, BLH-29, BLH-30 and BLH-33 (the "**Cooperative Land**"). The remaining parcels of land will be solely developed by the Agile Subsidiaries (the "**Excluded Land**"). The total site area and the total construction area of the Cooperative Land after adjustment in accordance with the Notice are 580,524.38 and 693,914 square metres respectively.

INFORMATION OF THE PROJECT COMPANY

The Project Company is a company established in the PRC with limited liability on 26 August 2002 and is an indirect wholly-owned subsidiary of the Company. 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 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, environmental protection, construction, real estate construction management and commercial.

INFORMATION OF THE AGILE SUBSIDIARIES

Ma Lee is a company established in Hong Kong with limited liability on 11 April 1997 and an indirect wholly-owned subsidiary of the Company. It holds 79.83% equity interests in the Project Company and its principal business is investment holding.

Panyu Agile is a company established in the PRC with limited liability on 27 March 2000 and an indirect wholly-owned subsidiary of the Company. It holds 3.5% equity interests in the Project Company and its principal businesses are development and management of real properties; real property consultancy services and property rental services.

Dragon Charm is a company established in Hong Kong with limited liability on 21 June 2007 and an indirect wholly-owned subsidiary of the Company. It holds 14.27% equity interests in the Project Company and its principal business is investment holding.

China Sharp is a company established in Hong Kong with limited liability on 21 August 2007 and an indirect wholly-owned subsidiary of the Company. It holds 2.4% equity interests in the Project Company and its principal business is investment holding.

INFORMATION OF THE INVESTOR

The Investor is a company established in the PRC with limited liability on 30 April 2019 and is an Independent Third Party. It is principally engaged in the businesses of enterprise management consultancy services, rental of self-owned properties, property management and management of construction projects. Each of it and Shenzhen Chuangyu is a subsidiary of Ping An.

FINANCIAL INFORMATION OF THE PROJECT COMPANY

Based on the unaudited financial statements of the Project Company, the profit of the Project Company for the two (2) financial years ended 31 December 2017 and 31 December 2018 were as follows:

	For the financial year ended 31 December 2017	For the financial year ended 31 December 2018
Net profit before taxation	Approximately RMB78,159,000	Approximately RMB796,914,000
Net profit after taxation	Approximately RMB9,132,000	Approximately RMB318,957,000

The unaudited net asset value of the Project Company as at 30 September 2019 was approximately RMB2,921,125,000.

It is expected that upon Completion, the Company will record an estimated gain of approximately RMB700 million, which is calculated with reference to the fair value of the Cooperative Land on the date of the Cooperative Agreement, being approximately RMB1.5 billion, deducted by the unaudited net asset value of the Cooperative Land, being approximately RMB670 million, and the tax effect of the Cooperative Land, being approximately RMB130 million (including deferred tax). The fair value of the Cooperative Land includes (1) the fair value of 49% interest of the Cooperative Land that has been sold, which is equivalent to the consideration arising therefrom of approximately RMB730 million; (2) re-calculation of the fair value of 51% interest of the Cooperative Land retained by Ma Lee, China Sharp, Dragon Charm and Panyu Agile, being approximately RMB770 million. The actual gain to be recorded by the Company is subject to audit. It is intended that the net proceeds from the Transaction will be used as general working capital of the Group and for its future business development.

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.

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 the Agile Subsidiaries is in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As disclosed in the announcements of the Company dated 11 December 2018 and 27 February 2019, Shenzhen Chuangyu (as defined in those announcements) acquired interests in, and contributed funds to, a previous direct subsidiary of the Project Company (the “**Previous Transaction**”). Shenzhen Chuangyu and the Investor are both indirect subsidiaries of Ping An.

In accordance with Rule 14.22 of the Listing Rules, as Shenzhen Chuangyu is related to the Investor, the Transaction and the Previous Transaction are aggregated for the calculation of the applicable percentage ratios under Rule 14.07 of the Listing Rules.

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction and the Previous Transaction (aggregated together) 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.

DEFINITIONS

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

“Acquisition of Equity Interests”	acquisition by the Investor of 15% equity interests in the Project Company from Panyu Agile (as to 3%) and Dragon Charm (as to 12%);
“Acquisition Price”	has the meaning ascribed to it in the section headed “Amounts to be paid by the Investor” in this announcement;
“Agile Subsidiaries”	Panyu Agile, Ma Lee, Dragon Charm, and China Sharp;
“Agreed Proportion”	has the meaning ascribed to it in the section headed “Subject matter” in this announcement;
“Board”	the board of Directors of the Company;
“China Sharp”	堅恆集團有限公司 (China Sharp Group Limited), a company established in Hong Kong with limited liability on 21 August 2007 and an indirect wholly-owned subsidiary of the Company;
“Company”	Agile Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, 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;
“Contribution”	has the meaning ascribed to it in the section headed “Amounts to be paid by the Investor” in this announcement;
“Cooperative Agreement”	the conditional cooperative agreement dated 18 December 2019 and entered into between the Parties;
“Cooperative Land”	has the meaning ascribed to it in the section headed “Information of the Cooperative Land” in this announcement;
“Dragon Charm”	常旺國際有限公司 (Dragon Charm International Limited), a company established in Hong Kong with limited liability on 21 June 2007 and an indirect wholly-owned subsidiary of the Company;
“Excluded Land”	has the meaning ascribed to it in the section headed “Information of the Cooperative Land” in this announcement;
“Extended Date”	has the meaning ascribed to it in the section headed “Conditions” in this announcement;
“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;
“Investor”	深圳市盛露企業管理有限公司 (Shenzhen City Shenglu Enterprise Management Co., Ltd***), a company established in the PRC with limited liability on 30 April 2019;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;
“Long Stop Date”	has the meaning ascribed to it in the section headed “Conditions” in this announcement;
“Ma Lee”	馬里國際集團有限公司(Ma Lee International Holdings Limited), a company established in Hong Kong with limited liability on 11 April 1997 and an indirect wholly-owned subsidiary of the Company;

“Notice”	notice of planning and design conditions of the Cooperative Land after 2018 as set out in the Cooperative Agreement;
“Panyu Agile”	廣州番禺雅居樂房地產開發有限公司 (Guangzhou Panyu Agile Realty Development Co., Ltd.***), a company established in the PRC with limited liability on 27 March 2000 and an indirect wholly-owned subsidiary of the Company;
“Parties”	the Agile Subsidiaries, the Investor 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;
“Ping An”	中國平安保險(集團)股份有限公司 (Ping An Insurance (Group) Company of China, Ltd.), a company established in the PRC with limited liability on 21 March 1988, the stocks of which are listed on the main board of the Stock Exchange and the Shanghai Stock Exchange;
“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;
“Previous Transaction”	has the meaning ascribed to it in the section headed“Listing Rules Implications” in this announcement;
“Project Company”	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 an indirect wholly-owned subsidiary of the Company;
“Relevant Agile Subsidiaries”	Panyu Agile and Dragon Charm;
“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;
“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; and

“%” per cent.

By Order of the Board
Agile Group Holdings Limited
CHEUNG Lap Kei
Company Secretary

Hong Kong, 18 December 2019

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*