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AGILE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3383)

DISCLOSEABLE TRANSACTION MEZZANINE FACILITY AGREEMENT WITH CONDITIONAL OPTION

THE MEZZANINE FACILITY AGREEMENT

On 24 June 2022, the Borrower (as borrower), the Mezzanine Lender (as original lender), the Security Agent (as arranger and security agent) entered into the Mezzanine Facility Agreement, pursuant to which the Mezzanine Lender agreed to, among other things, make available the Mezzanine Facility in an aggregate principal amount of up to HK\$894,000,000 to the Borrower with the Option (exercisable at the discretion of the Mezzanine Lender upon satisfaction of certain conditions) to convert the Mezzanine Loan into all of the issued shares in the Borrower. Upon the exercise of the Option, the Borrower will cause all of the issued shares in the Borrower and any loans owing by the Borrower to the Company to be transferred to the Mezzanine Lender on the Conversion Date.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.73 of the Listing Rules, the grant of the Option by the Borrower to the Mezzanine Lender will be treated as a transaction. Since the exercise of the Option is at the Mezzanine Lender's discretion, pursuant to Rule 14.74(1) of the Listing Rules, the grant of the Option will be treated as if the Option had been exercised. As one or more of the applicable percentage ratios in respect of the grant of the Option exceed(s) 5% but is/are less than 25%, the grant of the Option therefore constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

On 15 April 2021, the Borrower, an indirect wholly-owned subsidiary of the Company (as borrower), the Senior Lenders (as original lenders) and the Security Agent (as agent and security agent) entered into the Senior Facility Agreement, pursuant to which the Senior Lenders agreed to, among other things, make available term loan facilities in an aggregate principal amount of up to HK\$1,039,958,800 to the Borrower, with interest rate of HIBOR plus 1.4% per annum for a term of 24 months.

On 24 June 2022, the Supplement to Senior Facility Agreement was entered into among the Borrower (as borrower), the Senior Lenders (as lenders) and the Security Agent (as agent and security agent), pursuant to which the Senior Lenders have agreed, among others, to extend the final maturity date of the facilities by 12 months to 15 April 2024, and grant consent to the execution of the Mezzanine Facility Agreement and the creation of the security under the Mezzanine Security Documents as further described below on condition that the amount of the facilities will be reduced to HK\$825,000,000 and the interest rate will be increased to HIBOR plus 2.9%.

THE MEZZANINE FACILITY AGREEMENT

On 24 June 2022, the Borrower (as borrower), the Mezzanine Lender (as original lender), the Security Agent (as arranger and security agent) entered into the Mezzanine Facility Agreement, pursuant to which the Mezzanine Lender agreed to, among other things, make available the Mezzanine Facility in an aggregate principal amount of up to HK\$894,000,000 to the Borrower at an interest rate of 20% per annum for 24 months commencing from the Utilisation Date.

The Mezzanine Facility shall be secured by: (a) a guarantee executed by the Company; (b) a second-ranking mortgage over the Property executed by the Borrower; (c) a second-ranking share charge in respect of all the issued share(s) of the Borrower executed by Grand Right; (d) a second-ranking subordination agreement executed by Grand Right and All Jolly agreeing to subordinate indebtedness owing by Grand Right to All Jolly to that owing to the Mezzanine Lender and the Security Agent under the Mezzanine Facility Agreement; (e) a second-ranking subordination agreement executed by the Borrower and the Company agreeing to subordinate indebtedness owing by the Borrower to the Company to that owing to the Mezzanine Lender and Security Agent under the Mezzanine Facility Agreement; and (f) a second-ranking share charge in respect of all the issued share(s) of Grand Right to be executed by All Jolly (collectively, the “**Mezzanine Security Documents**”).

Conditional Option

Under the Mezzanine Facility Agreement, on and at any time after (i) the occurrence of an event of default which is continuing, (ii) the Mezzanine Lender has acquired all rights and obligations of the Senior Lenders under the Senior Finance Documents pursuant to the terms and conditions of the Intercreditor Agreement and (iii) after the lapse of 14

days if the event of default is a remediable default under the Mezzanine Facility Agreement, the Mezzanine Lender has the option to convert the Mezzanine Loan into all of the issued shares in the Borrower.

Upon the exercise of the Option, the Borrower will cause all of the issued shares in the Borrower and any loans owing by the Borrower to the Company to be transferred to the Mezzanine Lender on the Conversion Date. After completion of the transfer, the Mezzanine Lender will procure the release of the guarantee and all other security granted by the Group under the Senior Facilities.

The events of default include, among others, non-payment by an Obligor, cross default, insolvency of an Obligor or any other member of the Group, creation of further encumbrance on the shareholding of the Borrower, suspension of trading in the shares of the Company for more than 15 consecutive trading days or cessation of listing of the Company and material adverse change.

THE INTERCREDITOR AGREEMENT

On 24 June 2022, the Borrower also entered into the Intercreditor Agreement with, among others, the Company, the Senior Lenders, the Mezzanine Lender and the Security Agent, whereby the parties agree that:

- (a) the Senior Liabilities have priority over the Mezzanine Liabilities in terms of the right and priority of payment and ranking of security interests; and
- (b) subject to the terms and conditions provided therein, upon the occurrence of an event of default and at the request of either the Mezzanine Lender or the Senior Lenders, the Mezzanine Lender shall acquire all rights and obligations in respect of the Senior Liabilities.

EXERCISE OF OPTION AND ITS FINANCIAL IMPACT

In the event where the Mezzanine Lender exercises the Option, it is estimated that the highest possible monetary value of the exercise price of the Option for the Mezzanine Lender shall be HK\$2,128,117,125, representing the aggregate principal amount and the contractual interest payable by the Borrower under the Senior Facilities and the Mezzanine Facility from the date of this announcement to their respective final maturity dates (enforcement costs and expenses and default interests have not been taken into account for the purpose of such calculation).

Upon the exercise of the Option by the Mezzanine Lender, all loans owed by the Borrower to the Company and all issued shares of the Borrower will be transferred to the Mezzanine Lender. Each member of the Borrower's Group will thus cease to be a subsidiary of the Company. In this connection, it is expected that the Group would record an estimated loss of approximately HK\$1,436,930,000, which is calculated based on the difference between:

- (a) the Group would record a loss of approximately HK\$1,969,450,000 after the loan owed by the Borrower to the Company was transferred to the Mezzanine Lender on the Conversion Date ; and
- (b) the unaudited net liability of the Borrower's Group as at 31 May 2022 of approximately HK\$532,520,000.

INFORMATION OF THE PARTIES

The Mezzanine Lender

The Mezzanine Lender is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Mezzanine Lender is ultimately owned as to approximately 33.33% each by Mr. Wong Chung Tak, Richard, Mr. Yeung Sai Hong and an Independent Third Party and the Mezzanine Lender and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Group and the Borrower

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 and commercial.

The Borrower is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. The Borrower is mainly engaged in property development. As at the date of this announcement, the entire issued share capital of the Borrower is owned by Grand Right. The Borrower has five subsidiaries, namely, Extra Effort Global Limited, Fuller Holdings Limited, Fuyu Holdings Limited (富鈺控股有限公司), Pu Cheng Limited (普程有限公司), and Rong Ze Limited (榮澤有限公司), which are all companies incorporated in the British Virgin Islands with limited liability. Such subsidiaries are dormant.

The principal asset of the Borrower is the Property, comprising (i) a land parcel located at Nos.2–16 Mount Parker Road, Hong Kong with a site area of approximately 24,210 square feet; and (ii) a land parcel located at Nos.992–998 King’s Road, Hong Kong with a site area of approximately 10,000 square feet. The Property is intended to be developed into two residential buildings with approximately 600 units. The Borrower is in the process of applying to the Hong Kong Government for an in-situ land exchange for the development of the Property.

Set out below is a summary of the unaudited consolidated financial information of the Borrower’s Group for the two years ended 31 December 2021:

	For the year ended 31 December 2020	For the year ended 31 December 2021
	<i>HK\$’000</i>	<i>HK\$’000</i>
Net loss before taxation	163,982	161,474
Net loss after taxation	163,982	160,260

Based on the unaudited consolidated management accounts of the Borrower’s Group, the unaudited net liabilities value of the Borrower’s Group as at 31 May 2022 is approximately HK\$532,520,000.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MEZZANINE FACILITY AGREEMENT

The Mezzanine Loan will be applied towards funding the general working capital of the Group including the Borrower and refinancing existing indebtedness of the Group including the Borrower. In view of the existing operational environment of the property development industry in the PRC, and having regard to the prevailing market conditions, it is believed that the Mezzanine Loan can provide medium-term funds to the Group and facilitate the Group to meet its working capital requirements for the development of its property projects.

The Directors consider that the entering into of the Mezzanine Facility Agreement and the transactions contemplated thereunder are entered into upon normal commercial terms following arm’s length negotiations between the parties thereto in light of the present challenging economic environment and the property development business in the PRC, and that the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.73 of the Listing Rules, the grant of the Option by the Borrower to the Mezzanine Lender will be treated as a transaction. Since the exercise of the Option is at the Mezzanine Lender's discretion, pursuant to Rule 14.74(1) of the Listing Rules, the grant of the Option will be treated as if the Option had been exercised. As one or more of the applicable percentage ratios in respect of the grant of the Option exceed(s) 5% but is/are less than 25%, the grant of the Option therefore constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein, and words in plural shall include the singular and vice versa (as applicable):

“All Jolly”	All Jolly Investments Limited, a company incorporated in the British Virgin Islands with limited liability and owns the entire issued share capital of Grand Right;
“Board”	the board of the Directors;
“Borrower”	Full Land Development Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company;
“Borrower's Group”	the Borrower and its five subsidiaries;
“Chargors”	Grand Right and All Jolly;
“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 (stock code 3383);
“Conversion Date”	the proposed date in effecting the conversion specified in the conversion notice to be issued by the Mezzanine Lender in exercising the Option;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Directors”	the directors of the Company;

“Grand Right”	Grand Right Investments Limited (正偉投資有限公司), a company incorporated in the British Virgin Islands with limited liability and owns the entire issued share capital of the Borrower;
“Group”	the Company and its subsidiaries;
“HIBOR”	Hong Kong Interbank Offered Rate;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“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 person(s);
“Intercreditor Agreement”	the Intercreditor Agreement dated 24 June 2022 made between, among others, the Borrower, the Company, the Senior Lenders, the Mezzanine Lender and the Security Agent;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mezzanine Facility”	the term loan facility in an aggregate principal amount of up to HK\$894,000,000 under the Mezzanine Facility Agreement;
“Mezzanine Facility Agreement”	the facility agreement dated 24 June 2022 made among the Borrower (as borrower), the Mezzanine Lender (as original lender), the Security Agent (as arranger and security agent), pursuant to which the Mezzanine Lender agreed to, among other things, make available the Mezzanine Facility to the Borrower with the grant of the Option;
“Mezzanine Finance Documents”	the Mezzanine Facility Agreement, the Mezzanine Security Documents and the Intercreditor Agreement;
“Mezzanine Lender”	Allied Global Group Limited (聯合環球集團有限公司);
“Mezzanine Liabilities”	the liabilities owed to the Mezzanine Lender under the Mezzanine Finance Documents;
“Mezzanine Loan”	the lump sum loan made or to be made under the Mezzanine Facility or the principal amount outstanding for the time being of that loan;
“Obligors”	the obligors under the Mezzanine Finance Documents, being collectively, the Borrower, the Company and the Chargors;

“Option”	the option granted to, and exercisable by, the Mezzanine Lender to convert the Mezzanine Loan into all of the issued shares in the Borrower, upon the exercise of which any loans owing by the Borrower to the Company shall also be transferred to the Mezzanine Lender;
“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;
“Property”	collectively, a land parcel located at Nos. 2–16 Mount Parker Road, Hong Kong and a land parcel located at Nos. 992–998 King’s Road, Hong Kong;
“Security Agent”	The Hongkong and Shanghai Banking Corporation Limited;
“Senior Facilities”	the term loan facilities under the Senior Facility Agreement with an aggregate principal amount of up to HK\$825,000,000 (as revised pursuant to the Supplement to Senior Facility Agreement);
“Senior Facility Agreement”	the facility agreement dated 15 April 2021 and made between the Borrower (as borrower), the Senior Lenders (as lenders) and the Security Agent (as agent and security agent), whereby the Senior Lenders agreed to, among other things, make available the Senior Facilities to the Borrower;
“Senior Finance Documents”	the Senior Facility Agreement, the Supplement to Senior Facility Agreement and all security documents securing the Senior Loans;
“Senior Liabilities”	the liabilities owed to the Senior Lenders under the Senior Finance Documents;
“Senior Loans”	all loans outstanding under the Senior Facilities;
“Senior Lenders”	The Hongkong and Shanghai Banking Corporation Limited and The Bank of East Asia, Limited;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Supplement to Senior Facility Agreement”	the supplement to agreement in respect of the Senior Facility Agreement dated 24 June 2022 entered into among the Borrower (as borrower), the Senior Lenders (as lenders) and the Security Agent (as agent and security agent);
“Utilisation Date”	the date of utilisation of the Mezzanine Facility, being the date on which the Mezzanine Loan is to be made; and
“%”	per cent.

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

Hong Kong, 24 June 2022

As at the date of this announcement, the Board comprises eleven 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. 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