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**JIU RONG HOLDINGS LIMITED**

久融控股有限公司

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

**(Stock Code: 2358)**

**DISCLOSEABLE TRANSACTION  
PROPOSED CAPITAL INCREASE IN THE JOINT VENTURE COMPANY**

**CAPITAL INCREASE AGREEMENT**

The Board is pleased to announce that, on 16 December 2022, Lu Yun, an indirect wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement with other JV Shareholders (namely, Zhong Xing and Rong Du), pursuant to which the JV Shareholders (including Lu Yun) have agreed to increase the registered capital of the JV Company from RMB155 million to RMB300 million, and Lu Yun, Zhong Xing and Rong Du have agreed to contribute RMB66.70 million, RMB63.80 million and RMB14.50 million, respectively, in cash in proportion to their respective shareholdings in the JV Company. Upon Completion, the shareholding of Lu Yun, Zhong Xing and Rong Du in the JV Company shall remain unchanged as 46%, 44% and 10%, respectively, and the JV Company will continue to be accounted as an associate of the Company.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in accordance with the Listing Rules in respect of the Capital Increase exceed 5% but are less than 25%, the Capital Increase constitutes a discloseable transaction of the Company and are subject to the notification and publication requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

**INTRODUCTION**

The Board is pleased to announce that, on 16 December 2022, Lu Yun, an indirect wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement with other JV Shareholders (namely, Zhong Xing and Rong Du), pursuant to which the JV Shareholders (including Lu Yun) have agreed to increase the registered capital of the JV Company from RMB155 million to RMB300 million, and Lu Yun, Zhong Xing and Rong Du have

agreed to contribute RMB66.70 million, RMB63.80 million and RMB14.50 million, respectively, in cash in proportion to their respective shareholdings in the JV Company. Upon Completion, the shareholding of Lu Yun, Zhong Xing and Rong Du in the JV Company shall remain unchanged as 46%, 44% and 10%, respectively, and the JV Company will continue to be accounted as an associate of the Company.

#### **CAPITAL INCREASE AGREEMENT**

Date: 16 December 2022

Parties:

1. Lu Yun;
2. Zhong Xing; and
3. Rong Du

Capital Increase: To increase the registered capital of the JV Company from RMB155 million to RMB300 million, and Lu Yun, Zhong Xing and Rong Du have agreed to contribute RMB66.70 million, RMB63.80 million and RMB14.50 million, respectively, in cash in proportion to their respective shareholdings in the JV Company. Upon Completion, the shareholding of Lu Yun, Zhong Xing and Rong Du in the JV Company shall remain unchanged as 46%, 44% and 10%, respectively.

The payment of the capital contribution by the JV Shareholders shall be made on or before 1 September 2042. The amount of capital contribution for the Capital Increase was determined after arm's length negotiations among the JV Shareholders with reference to, among other things, (i) their respective shareholding in the JV Company; and (ii) the estimated business needs and future business development of the JV Company. The amount of capital contribution for the Capital Increase by Lu Yun will be funded by the internal resources, bank or other borrowings of the Group.

All the funds to be obtained by the JV Company through the Capital Increase shall be used to supplement the working capital required by the business operations of the JV Company.

#### **INFORMATION OF THE JV COMPANY**

The JV Company is a private enterprise established in the PRC with limited liability, and is principally engaged in the development of industrial park, commercial and residential properties in the PRC.

Set out below is the unaudited financial information of the JV Company for the each of the two years ended 31 December 2021:

	For the year ended 31 December 2020 RMB'000 (unaudited)	For the year ended 31 December 2021 RMB'000 (unaudited)
Profit/(loss) before tax	(7,936)	40,128
Profit/(loss) after tax	(15,893)	28,628

  

	As at 31 December 2020 RMB'000 (unaudited)	As at 31 December 2021 RMB'000 (unaudited)
Total assets	744,339	901,024
Total liabilities	679,704	807,760
Net assets	64,635	93,264

The JV Company will continue to be accounted as an associate of the Company. Accordingly, the financial results of the Target Company will not be consolidated to the financial statements of the Group.

#### **INFORMATION OF ZHONG XING**

Zhong Xing is an enterprise incorporated in the PRC with limited liability and is principally engaged in real estate development. Zhong Xing is a wholly owned subsidiary of SOYEA Technology Co., Ltd. and the issued shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000909).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Zhong Xing and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

#### **INFORMATION OF RONG DU**

Rong Du is an enterprise incorporated in the PRC with limited liability and is principally engaged in real estate development. Rong Du is ultimately owned as to 100% by Zhang Hongyu.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Rong Du and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

#### **REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE**

The Group is principally engaged in (1) manufacturing and sales of digital television ("TV"), high definition liquid crystal display TV and set-top box as well as provision of application of solutions regarding integration

of telecommunication TV and internet in the digital video industry; (2) the construction, application and management of new energy vehicles and related products, charging facilities and intelligent management systems; (3) the application and management of cloud ecological big data industry; (4) Properties Development and (5) Properties Investments.

The Directors believe that the proceeds from the Capital Increase will be used to replenish the working capital required in the business of the JV Company. The Capital Increase is conducive to raising the industry position of the JV Company by providing the necessary funding to support its development and expansion of business scale which would further enable the Group to further expand its market presence in the industrial park and Properties Development business to cope with the future business expansion of the Group. As a result, the Directors consider that the terms of the Capital Increase Agreement are fair and reasonable and is in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in accordance with the Listing Rules in respect of the Capital Increase exceed 5% but are less than 25%, the Capital Increase constitutes a discloseable transaction of the Company and are subject to the notification and publication requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

### **Definition**

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

“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Capital Increase Agreement”	the capital increase agreement dated 16 December 2022 and entered into between Lu Yun, Zhong Xing and Rong Du in relation to the capital increase of the JV Company
“Company”	Jiu Rong Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as

defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates

“JV Company”	Heilongjiang Xin Luzhou Real Estate Development Limited* (黑龙江新绿洲房地产开发有限公司), a company incorporated in the PRC with limited liability
“JV Shareholders”	Lu Yun, Zhong Xing and Rong Du, and each a “JV Shareholder”
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lu Yun”	Hangzhou Lu Yun Property Limited* (杭州绿云置业有限公司), a company incorporated in the PRC with limited liability, an indirect wholly owned subsidiary of the Company
“Rong Du”	Hangzhou Rong Du Real Estate Co., Ltd. *(杭州荣都置业有限公司), a company incorporated in the PRC with limited liability
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhong Xing”	Hang Zhou Zhong Xing Real Estate Development Co., Ltd.* (杭州中兴房地产开发有限公司), a company incorporated in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

*\* For identification purpose only*

By order of the Board  
**Jiu Rong Holdings Limited**  
**Siu Chi Ming**  
*Executive Director*

Hong Kong, 16 December 2022

*As at the date of this announcement, Mr. Siu Chi Ming and Mr. Zhao Jianhua are the Executive Directors; Mr. Wang Ning, Mr. Chen Zheng and Mr. Yuan Qian Fei are the Independent Non-executive Directors.*