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Datang Group Holdings Limited
大唐集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2117)

**MAJOR TRANSACTION AND CONNECTED TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE**

PROVISION OF FINANCIAL ASSISTANCE

The Financial Assistance provided to Xiamen Rongyin

On 15 December 2022, Xiamen Rongyin entered into the Rongyin Facility Agreement with the Bank, pursuant to which the Bank agreed to provide loan facilities up to RMB900 million to Xiamen Rongyin with maturity dates falling on 15 December 2023. Within the one-year-term of facility period, Xiamen Rongyin may draw down the loan facilities at any time. On 15 December 2022, the Company as guarantor entered into the Rongyin Guarantee Agreement with the Bank, pursuant to which the Company agreed to provide guarantee in favour of the Bank to secure the repayment obligation of Xiamen Rongyin under the Rongyin Facility Agreement.

Pursuant to the Rongyin Facility Agreement, Shanghai Tanglin Enterprise Management Co., Ltd. (“**Shanghai Tanglin**”, a wholly-owned subsidiary of the Company) and Xiamen Datang Real Estate Group Co., Ltd. (“**Xiamen Datang**”, a wholly-owned subsidiary of the Company) entered into three pledge agreements on 15 December 2022 to pledge certain equity interests of their respective subsidiaries in favour of the Bank to secure the repayment obligation of Xiamen Rongyin under the Rongyin Facility Agreement.

The Financial Assistance provided to Xiamen Hongfu

On 15 December 2022, Xiamen Hongfu entered into the Hongfu Facility Agreement with the Bank, pursuant to which the Bank agreed to provide loan facilities up to RMB400 million to Xiamen Hongfu with maturity dates falling on 15 December 2023. Within the one-year-term of facility period, Xiamen Hongfu may draw down the loan facilities at any time, the Company as

guarantor entered into the Hongfu Guarantee Agreement with the Bank, pursuant to which the Company agreed to provide guarantee in favour of the Bank to secure the repayment obligation of Xiamen Hongfu under the Hongfu Facility Agreement.

The purpose of entering into the Guarantee Agreements and the Pledge Agreements by members of the Group is mainly to maintain a good relationship with Good First Group and to ensure that Good First Group will continue to provide guarantee for the onshore loans of the Company.

THE COUNTER-GUARANTEE AGREEMENT AND THE GUARANTEE SERVICE AGREEMENT

On 30 December 2022, Good First Group entered into the Counter-Guarantee Agreement with the Company, pursuant to which Good First Group shall provide a counter-guarantee in favour of the Company for all liabilities and obligations which may be borne by members of the Group under the Guarantee Agreements.

On 30 December 2022, in consideration of the provision of the Guarantees and the Pledges by members of the Group, the Company and the Borrowers entered into the Guarantee Service Agreement, pursuant to which each of the Borrowers shall respectively pay a Guarantee Fee to the Company.

LISTING RULES IMPLICATIONS

Xiamen Hongfu and Xiamen Rongyin are subsidiaries of Good First Group, a company owned as to 61.03% by Ms. Wong as at the date of this announcement, a controlling shareholder of the Company. Therefore, Xiamen Hongfu, Xiamen Rongyin and Good First Group are associates of the connected person of the Company, and thus are connected persons of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the Guarantee Agreements and the Pledge Agreements exceeds 25%, the Guarantee Agreements and the Pledge Agreements and the transactions contemplated thereunder constitute a major transaction and connected transaction of the Company under Chapters 14 and 14A of the Listing Rules and are subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

GENERAL

The EGM will be convened by the Company for the Independent Shareholders to consider and, if thought fit, to approve the Guarantee Agreements and the Pledge Agreements and the transactions contemplated thereunder by poll.

In this connection, the Company will appoint the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of among others, the Guarantee Agreements and the Pledge Agreements and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Agreements and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required under the Listing Rules; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or around 30 January 2023.

INTRODUCTION

The Financial Assistance provided to Xiamen Rongyin

On 15 December 2022, Xiamen Rongyin entered into the Rongyin Facility Agreement with the Bank, pursuant to which the Bank agreed to provide loan facilities up to RMB900 million to Xiamen Rongyin with maturity dates falling on 15 December 2023. Within the one-year-term of facility period, Xiamen Rongyin may draw down the loan facilities at any time. On 15 December 2022, the Company as guarantor entered into the Rongyin Guarantee Agreement with the Bank, pursuant to which the Company agreed to provide guarantee in favour of the Bank to secure the repayment obligation of Xiamen Rongyin under the Rongyin Facility Agreement.

Pursuant to the Rongyin Facility Agreement, among others (i) the Company, as guarantor, entered into the Rongyin Guarantee Agreement with the Bank on 15 December 2022; and (ii) Shanghai Tanglin and Xiamen Datang entered into three pledge agreements with the Bank on 15 December 2022 to pledge certain equity interests in their respective subsidiaries in favour of the Bank to secure the repayment obligation of Xiamen Rongyin under the Rongyin Facility Agreement.

The Financial Assistance provided to Xiamen Hongfu

On 15 December 2022, Xiamen Hongfu entered into the Hongfu Facility Agreement with the Bank, pursuant to which the Bank agreed to provide loan facilities up to RMB400 million to Xiamen Hongfu with maturity dates falling on 15 December 2023. Within the one-year-term of facility period, Xiamen Hongfu may draw down the loan facilities at any time. On 15 December 2022, the Company as guarantor entered into the Hongfu Guarantee Agreement with the Bank, pursuant to which the Company agreed to provide guarantee in favour of the Bank to secure the repayment obligation of Xiamen Hongfu under the Hongfu Facility Agreement.

The purpose of entering into the Guarantee Agreements and the Pledge Agreements by members of the Group is mainly to maintain a good relationship with Good First Group and to ensure that Good First Group will continue to provide guarantee for the onshore loans of the Company. Save as

disclosed above, so far as the Directors being aware and having made all reasonable inquiries, there were no other guarantee, charge or pledge arrangements made by the Company in favour of the Bank to secure the Facility Agreements.

The Counter-Guarantee Agreement and the Guarantee Service Agreement

On 30 December 2022, Good First Group entered into the Counter-Guarantee Agreement with the Company, pursuant to which Good First Group shall provide a counter-guarantee in favour of the Company for all liabilities and obligations which may be borne by members of the Group under the Guarantee Agreements and the Pledge Agreements.

On 30 December 2022, in consideration of the provision of the Guarantees and the Pledges by members of the Group, the Company and the Borrowers entered into the Guarantee Service Agreement, pursuant to which each of the Borrowers shall respectively pay a Guarantee Fee to the Company.

GUARANTEE AGREEMENTS

The Guarantees cover (i) the principal amounts, and (ii) any interests, damages, compensation and any other fees and expenses for debt recovery and realization of security interests in the case of default by Xiamen Hongfu and Xiamen Rongyin under the Facility Agreements (the “**interests and other payables**”), but in any event not exceeding (i) the loan principal amount of RMB400 million, and the interests and other payables under the Hongfu Facility Agreement; and (ii) the loan principal amount of RMB900 million, and the interests and other payables under the Rongyin Facility Agreement.

Upon entering into of the Guarantee Agreements the two guarantee agreements entered into by Company with the Bank on 23 December 2021 in respect of the facilities granted by the Bank to Xiamen Hongfu and Xiamen Rongyin shall lapse and be terminated with immediate effect. For details of the guarantees, please refer to the announcement of the Company dated 24 December 2021.

The Guarantees shall remain valid for three years after the relevant maturity dates of the loan facilities under the Facility Agreements or the early repayment of all outstanding loans after the one-year facility term under the Facility Agreements. The aforementioned three-year term of Guarantees was determined in view of the requirement of limitation period of three years for debt recovery actions under the “Civil Code of the People’s Republic of China” (中華人民共和國民法典) (the “**Civil Code**”) which has come into effect on 1 January 2021. Under Article 188 of the Civil Code, an action instituted in a people’s court in the PRC for protection of civil rights must be brought within three years, except as otherwise prescribed by any law.

THE COUNTER-GUARANTEE AGREEMENT

On 30 December 2022, Good First Group entered into the Counter-Guarantee Agreement with the Company, pursuant to which Good First Group shall provide a counter-guarantee in favour of members of the Group. The scope of the Counter-Guarantee Agreement is to counter guarantee: (a) all the liabilities and obligations of members of the Group under the Guarantee Agreements and the Pledge Agreements; and (b) all reasonable expenses which may be incurred by members of the Group in the course of recovering any payment made or loss due to its obligations under the Guarantee Agreements. In addition, Good First Group has guaranteed to the Company that if each of Xiamen Rongyin and Xiamen Hongfu may not be able to repay its debt under each of the Facility Agreements, Good First Group will arrange all its available resources to repay the relevant debt before the Company performing its obligations under the Guarantee Agreements. Pursuant to the Counter-Guarantee Agreement, no assets of First Good Group would be pledged.

The term of the Counter-Guarantee Agreement shall be effective from the date of the Counter-Guarantee Agreement and end on the expiry of the Guarantee Agreements.

THE PLEDGE AGREEMENTS

Pursuant to the Rongyin Facility Agreement, the two wholly-owned subsidiaries of the Company, namely, Shanghai Tanglin and Xiamen Datang entered into three pledge agreements with the Bank on 15 December 2022 to respectively pledge the entire equity interests in Xi'an Tangmen Real Estate Co., Ltd* (西安唐門房地產有限公司) and Xi'an Tangmei Real Estate Co., Ltd* (西安唐美房地產有限公司) (both wholly-owned subsidiaries of Xiamen Datang) and Zhangzhou Tanglin Real Estate Development Co., Ltd* (漳州唐林房地產開發有限公司) (wholly-owned subsidiary of Shanghai Tanglin) in favor of the Bank to secure the repayment obligation of Xiamen Rongyin under the Rongyin Facility Agreement.

The Pledges cover the principal amounts of RMB900 million, and the interests and other payables in case of default by Xiamen Rongyin under Rongyin Facility Agreement, but in any event not exceeding RMB1,350 million under the Pledge Agreements.

On ascertaining of the scope of guaranteed debt and the extent to which Xiamen Rongyin defaults under Rongyin Facility Agreement, the Bank is entitled to dispose of the pledged equity interests in the relevant Subsidiaries at any time.

THE GUARANTEE SERVICE AGREEMENT

On 30 December 2022, in consideration of the provision of the Guarantees and the Pledges by members of the Group, the Company and the Borrowers entered into the Guarantee Service Agreement, pursuant to which each of the Borrowers shall respectively pay a Guarantee Fee to the Company. The Guarantee Fee in the first year shall be RMB6 million and RMB13.5 million respectively for each of Xiamen Hongfu and Xiamen Rongyin which shall be payable to the Company within 30 days after the drawdown of the relevant loan facility under the relevant Facility Agreements

even if the actual guarantee period under the Guarantee Agreements is shorter than one year. If the loan facilities under the Facility Agreements had been repaid, the Company will not receive further Guarantee Fee for the remaining term of the Guarantee Agreements. As the Guarantee Agreements may be terminated earlier, to ascertain the number of days the Company has provided the guarantees for the following year, the Guarantee Fee shall be payable within 30 days after the end of each year and determined according to the following formula:

$$\text{Guarantee Fee receivable} = 1.5\% * \text{Amount} * n/365$$

“Amount” represents the principal amount guaranteed by the Company under the relevant Guarantee Agreement; and

“n” represents the number of days the Company have provided the guarantees during the relevant year.

The Guarantee Fee is subject to a maximum cap of RMB6 million and RMB13.5 million per annum respectively for Xiamen Hongfu and Xiamen Rongyin, being 1.5% of the Guaranteed Loan Amount. The Guarantee Fee was determined based on arm’s length negotiations between the parties with reference to the level of guarantee fees for comparable transactions in the market and three quotations obtained by the Company from three independent third party institutions randomly selected by the Company which are (i) principally engaging in the provision of guarantee services in the market; and (ii) operating in Xiamen in the PRC (similar geographical regions as the Borrowers and the Bank). The level of guarantee fees for these three quotations ranged from 0.8% to 2% per annum. Details of the quotations are as follows:

No.	Principal loan amounts to be guaranteed (RMB)	Term	Assets pledged	Rates of guarantee fee (per annum)	Counter-guarantee arrangement
1.	1.3 billion	3 years, subject to early termination due to early repayment of loan	N/A	0.8%-1%	Yes
2.	1.3 billion	3 years, subject to early termination due to early repayment of loan	N/A	1%-2%	Yes
3.	1.3 billion	3 years, subject to early termination due to early repayment of loan	N/A	2%	Yes

The Board is of the view that the references made to the above quotations to determine the rate for the Guarantee Fee being 1.5% per annum are sufficient, fair and representative since (i) the three independent third party institutions are all professional guarantee service providers in the market who possess the relevant professional guarantee service license which is issued and tightly regulated by the PRC government; (ii) the three independent third party institutions are all operating in Xiamen in the PRC (similar geographical regions as the Borrowers and the Bank); (iii) the risk of liabilities under the Guarantee Agreements are relatively low after the due diligence (including reviewing the

financial statements of Good First Group) conducted by the Group on the financial condition of Good First Group, which indicates that (a) as at 30 June 2022, the total assets of Good First Group recorded was RMB11,208.6 million and the net assets recorded was RMB4,512.0 million; and (b) the cash and bank balance of Good First Group amounted to RMB797.9 million as at 30 June 2022; and (iv) the rate for the Guarantee Fee being 1.5% per annum is at the middle point of the range of quotations provided by three independent third party institutions.

The Board has also made references to comparable transactions on the market from public domain. The comparable transactions were selected based on the following criteria: (i) the guarantor is listed on the Stock Exchange; (ii) the guarantees are connected persons of the guarantor under the Listing Rules; (iii) a guarantee fee has been charged by the guarantor; and (iv) the comparable transactions taken place within the last 12 months from the date of the Announcement. Details of the comparable transactions are as follows:

Stock code	Company name	Date of announcement	Loan amount guaranteed (RMB)	Term	Rate of guarantee fee (per annum)	Asset pledged by the relevant Company in addition to the guarantee provided	Counter-guarantee by the guarantee
9608	Sundy Service Group Co. Ltd	31 January 2022	150 million	1 year	4%	29 units of residential properties with an appraised market value of RMB97.9 million	Yes
01345	SHANGHAI PIONEER HOLDING LTD	28 October 2022	500 million	3 years	0.1%	N/A	Yes
2236	WISON ENGINEERING SERVICES CO. LTD.	22 December 2022	1.005 billion	6 years	0.5%	N/A	N/A

The Directors are of the view that the above list of comparable transactions are fair and representative since (i) all the comparable transactions are similar in the nature compared with the Guarantees provided under Guarantee Agreements, namely provision of guarantee to connected person by a listed issuer of the Stock Exchange; (ii) the list of comparable transactions have included companies principally engaged in various industries, providing a comprehensive range of guarantee fee rates for the Boards' reference; (iii) comparable transactions were all taken place within 12 months from the date of the Announcement, which reflects the recent and latest market practice in charging connected persons for the guarantee services provided to them, thus having a better reference value in respect of timeliness; and (iv) such list of comparable transactions are exhaustive after researches on the website of the Stock Exchange based on the above criteria.

Despite the different principal amounts under the Facility Agreements, being RMB400 million under the Hongfu Facility Agreement and RMB900 million under the Rongyin Facility Agreement, as both Xiamen Hongfu and Xiamen Rongyin are subsidiaries of and ultimately beneficially owned by Good

First Group and are both covered by the counter guarantee provided by Good First Group under the Counter-Guarantee Agreement, the Directors are of the view that the risk exposure under the Facility Agreements are the same for determining the rate of 1.5% for the Guarantee Fee.

The Guarantee Service Agreement shall terminate upon the release of the Guarantees.

As each of the Agreements is conditional upon each other, the entry into the Agreements is proposed to be ordinary resolutions subject to the approval of the Independent Shareholders being obtained in accordance with the Listing Rules.

REASONS FOR AND BENEFITS OF THE AGREEMENTS

The purpose of entering into the Guarantee Agreements and the Pledge Agreements by the Group is mainly to maintain a good relationship with Good First Group and ensure that Good First Group will continue to provide guarantee for the onshore loans of the Company. To the Directors' understandings, banks in the PRC will usually tend to require a borrower to provide additional guarantee before they may approve a loan subject to their internal control requirements. Since the year of 2020, under the promulgation of "housing is for living, not for speculation" (房住不炒), the PRC government has continuously improved its real estate austerity policies and successively issued regulations on the concentration of real estate loans (setting the upper limit of the proportion of real estate bank loans). Therefore, banks in the PRC would be more cautious in providing loans to property developers unless satisfactory guarantees could be provided by the borrower. Good First Group has provided guarantee from time to time for onshore loans obtained by the Group during the ordinary and usual course of business of the Group. As at the date of this announcement, the principal amount guaranteed by Good First Group amounted to RMB1,450 million, which was on normal commercial terms or better and for which the Group was not required to provide a counter guarantee

or pledge on its assets in favour of Good First Group and without any guarantee service fee. The details of the guarantees (including the summary of salient terms) provided by Good First Group for onshore loans of the Company are as follows:

Lender	Parties involved	Principal amounts	Facility period	Interest rates	Scope of guarantee	Principal amount guaranteed	Guarantee period
China Minsheng Bank Corp., Ltd., Tianjin Branch	Borrower: Tianjin Haihui Real Estate Development Co., Ltd.* (“Tianjin Haihui”) (天津海匯房地產開發有限公司) (an indirectly wholly-owned subsidiary of the Company) Guarantor: Good First Group	RMB 750,000,000	From 1 March 2019 to 1 July 2023	7.5% per annum	Principal amount and any interest, handling fees, damages, compensation and any other related fees and expenses that Tianjin Haihui are defaulted in payment.	RMB 750,000,000	The guarantee shall be valid for three years after the relevant maturity date of the loan facility under the facility agreement or the early repayment of all outstanding loans after the facility period under the facility agreement, whichever is earlier.
China Minsheng Bank Corp., Ltd., Tianjin Branch	Borrower: Tianjin Haihui Real Estate Development Co., Ltd.* (天津海匯房地產開發有限公司) (an indirectly wholly-owned subsidiary of the Company) Guarantor: Good First Group	RMB 700,000,000	From 25 May 2020 to 25 May 2023	6.5% per annum	Principal amount and any interest, handling fees, damages, compensation and any other related fees and expenses that Tianjin Haihui are defaulted in payment.	RMB 700,000,000	The guarantee shall be valid for three years after the relevant maturity date of the loan facility under the facility agreement or the early repayment of all outstanding loans after the facility period under the facility agreement, whichever is earlier.
Total:						RMB1,450,000,000	

As at the date of the announcement, the Group has no current intention nor in a progress of obtaining any further onshore loan which may require guarantee from Good First Group and to the best knowledge of the Directors and having made all reasonable inquiries, Good First Group has not indicated to terminate any guarantee for the existing onshore loans of the Group nor reject to provide guarantee for any future potential onshore loans of the Group.

As both Good First Group and the Group are beneficially owned by Ms. Wong, to the best knowledge of the Directors and having made all reasonable inquiries, it is a common and usual market practice for the Bank to require the Group instead of accepting an independent third-party guarantee service provider to provide guarantee due to the Bank's consideration on the factor of the credibility of the Company which is a listed company on the Stock Exchange with adequate internal control policies in place. Meanwhile, the arrangement of the Counter-Guarantee Agreement alongside with the Guarantee Agreements and the Pledge Agreements is to provide further protection to the Company and reduce its risk of being exposed to the liabilities under Guarantee Agreements.

In consideration of the provision of the Guarantees and the Pledges, the Group will also be entitled to a Guarantee Fee from the Borrowers under the Guarantee Service Agreement, which was determined after arm's length negotiations between the parties with reference to the level of guarantee fees for comparable transactions in the market and independent third-party quotations. The collection of the Guarantee Fee can therefore generate additional revenue and increase cash flows for the Group.

Based on the above factors, the Directors (excluding the independent non-executive Directors whose views will be expressed after obtaining advise from the independent financial advisor) are of the view that the terms of each of the Agreements are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The Group is principally engaged in property development business in the PRC.

INFORMATION ON XIAMEN HONGFU AND XIAMEN RONGYIN

Xiamen Rongyin is a company established in the PRC with limited liability, which is principally engaged in trading and wholesale business. As at the date of this announcement, Xiamen Rongyin is owned as to 93.35% by Good First Group and 6.65% by Xiamen Xindi. Good First Group is owned as to 61.03% by Ms. Wong, 18.01% by Chan Tanyee, 18.01% by Chan Tinyiu, 1.96% by Xiamen Hexin and 1% by Chan Cheungming. Xiamen Hexin is owned as to 1% by Mr. Wu and 99% by Zhang Jianhua. Xiamen Xindi is owned as to 70% by Good First Group and 30% by Mr. Wu.

Xiamen Hongfu is a company established in the PRC with limited liability, which is principally engaged in trading business. As at the date of this announcement, Xiamen Hongfu is owned as to 60% by Tibet Yinrui and 40% by Xiamen Rongyin. Tibet Yinrui is wholly owned by Good First Group.

INFORMATION ON THE BANK

The Bank is a national joint-stock commercial bank incorporated in the PRC, the H shares of which are listed on the Stock Exchange (Stock Code: 1988). The Bank and its subsidiaries are principally engaged in the provision of corporate and personal banking services, treasury business, leasing business, fund and asset management business, investment banking business and other related

financial services in the PRC. To the best of the Director's knowledge, information and belief, and after making all reasonable enquiries, Good First Group holds less than 5% of total issued shares of the Bank, and Mr. Wu is a director of the Bank appointed by Good First Group. Except for Good First Group, all other shareholders of the Bank are Independent Third Parties.

INFORMATION ON GOOD FIRST GROUP

Good First Group is a limited liability company established in the PRC, which is mainly engaged in trading and investment. As at the date of this announcement, Good First Group is owned as to 61.03% by Ms. Wong, 18.01% by Chan Tan Yee, 18.01% by Chan Tinyiu, 1.96% by Xiamen Hexin and 1% by Chan Cheungming. Xiamen Hexin is owned as to 1% by Mr. Wu and 99% by Zhang Jianhua.

BOARD APPROVAL

Mr. Wu is an executive Director and was considered to have a material interest in the transactions contemplated under the Agreements. Accordingly, he had abstained from voting on the relevant Board resolutions for approving the Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the other Directors was required to abstain from voting on the relevant Board resolutions.

LISTING RULES IMPLICATIONS

Xiamen Hongfu and Xiamen Rongyin are subsidiaries of Good First Group, a company owned as to 61.03% by Ms. Wong as at the date of this announcement, a controlling shareholder of the Company. Therefore, Xiamen Hongfu, Xiamen Rongyin and Good First Group are associates of the connected person of the Company, and thus are connected persons of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the Agreements exceeds 25%, the Agreements and the transactions contemplated thereunder constitute a major transaction and connected transaction of the Company under Chapters 14 and 14A of the Listing Rules and are subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

GENERAL

The EGM will be convened by the Company for the Independent Shareholders to consider and, if thought fit, to approve the Agreements and the transactions contemplated thereunder by poll.

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder.

Ms. Wong, Mr. Wu and their respective associates have material interests in the Agreements and the transactions contemplated thereunder and will therefore be required to abstain from voting on the resolutions at the EGM. As at the date of this announcement, Ms. Wong though Good Fountain held or controlled the voting rights in respect of approximately 30.69% of the issued shares of the Company while Mr. Wu though MeiDi indirectly held or controlled the voting rights in respect of approximately 29.9% of the issued shares of the Company. Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Agreements and the transactions contemplated thereunder and therefore no other Shareholder is required to abstain from voting at the EGM for the relevant resolutions.

In this connection, the Company will appoint the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Agreements and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iv) other information as required under the Listing Rules; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or around 30 January 2023.

DEFINITIONS

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

“Agreements”	the Guarantee Agreements, the Pledge Agreements, the Counter-Guarantee Agreement and the Guarantee Service Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bank”	China Minsheng Bank Corp., Ltd., Xiamen Branch
“Board”	the board of Directors
“Borrowers”	Xiamen Rongyin and Xiamen Hongfu
“Company”	Datang Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2117)
“connected person”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Counter-Guarantee Agreement”	the counter-guarantee agreement dated 30 December 2022 entered into between the Company and Good First Group in relation to the counter-guarantee provided by Good First Group in favour of the Company in respect of the Guarantees provided by the Company under the Guarantee Agreements
“Directors”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company (or any adjournment thereof) to be convened and held for the purpose of considering and, if thought fit, approving, among other things, the Agreements and the transactions contemplated thereunder
“Facility Agreements”	the Hongfu Facility Agreement and the Rongyin Facility Agreement
“Good First Group”	Good First Group Co., Ltd.* (福信集團有限公司), a limited liability company established in the PRC
“Good Fountain”	Good Fountain Holdings Limited, a company incorporated in the British Virgin Islands and is ultimately owned by Ms. Wong
“Guarantees”	the guarantees to be provided by the Company under the Guarantee Agreements
“Guarantee Agreements”	the Hongfu Guarantee Agreement and the Rongyin Guarantee Agreement
“Guarantee Fee”	the guarantee fee payable by Borrowers to the Company pursuant to the terms of the Guarantee Service Agreement
“Guaranteed Loan Amount”	the potential liabilities for the total principal amount under the Facility Agreements that will be borne by the Company under the Guarantee Agreements, which is subject to a maximum cap of RMB1,300 million
“Guarantee Service Agreement”	the guarantee service agreement dated 30 December 2022 entered into between the Company and the Borrowers in relation to the payment of Guarantee Fee
“Group”	the Company and its subsidiaries

“Hongfu Facility Agreement”	the facility agreement dated 15 December 2022 entered into between the Bank and Xiamen Hongfu to provide loan facilities up to RMB400 million to Xiamen Hongfu
“Hongfu Guarantee Agreement”	the guarantee agreement dated 15 December 2022 entered into between the Company and the Bank to guarantee repayment obligations of Xiamen Hongfu under the Hongfu Facility Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors to advise the Independent Shareholders in respect of the Agreements and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than Ms. Wong, Mr. Wu and their respective associates
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and the connected persons of the Company or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MeiDi”	MeiDi Investment Holding Limited (美地投資控股有限公司), a limited liability company incorporated in the BVI, which is wholly owned by Mr. Wu
“Ms. Wong”	Ms. Wong Hei (黃晞), one of controlling shareholders of the Company
“Mr. Wu”	Mr. Wu Di (吳迪), an executive Director of the Company
“Pledge Agreements”	the pledge agreements entered into by each of Shanghai Tanglin and Xiamen Datang with the Bank on 15 December 2022 in relation to the Pledges
“Pledges”	pledges of the entire equity interests in certain subsidiaries of Shanghai Tangin and Xiamen Datang under the Pledge Agreements
“PRC”	the People’s Republic of China

“RMB”	Renminbi, the lawful currency of the PRC
“Rongyin Facility Agreement”	the facility agreement dated 15 December 2022 entered into between the Bank and Xiamen Rongyin to provide loan facilities up to RMB900 million to Xiamen Rongyin
“Rongyin Guarantee Agreement”	the guarantee agreement dated 15 December 2022 entered into between the Company and the Bank to guarantee repayment obligations of Xiamen Rongyin under the Rongyin Facility Agreement
“Share(s)”	ordinary share(s) with a nominal value of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tibet Yinrui”	Tibet Yinrui Enterprise Management Service Co., Limited.* (西藏銀睿企業管理服務有限公司), a limited company established in the PRC
“US\$”	United States dollar, the lawful currency of the United States of America
“Xiamen Hexin”	Xiamen Hexin Consulting Service Co., Ltd.* (廈門合信諮詢服務有限公司), a limited liability company established in the PRC
“Xiamen Hongfu”	Xiamen Hongfu Trading Co., Ltd.* (廈門鴻孚貿易有限公司), a limited liability company established in the PRC
“Xiamen Rongyin”	Xiamen Rongyin Trading Co., Ltd.* (廈門融銀貿易有限公司), a limited liability company established in the PRC
“Xiamen Xindi”	Xiamen Xindi Group Co., Ltd.* (廈門信地集團有限公司), a limited liability company established in the PRC
“%”	per cent

On behalf of the Board
Datang Group Holdings Limited
WU Di
Chairman

Hong Kong, 3 January 2023

As at the date of this announcement, the executive Directors are Mr. WU Di, Mr. HAO Shengchun, and Mr. TANG Guozhong, the non-executive Director is Ms. CHEN Xiaoyun, and the independent non-executive Directors are Mr. CHANG Eric Jackson, Ms. XIN Zhu and Mr. LOK Chiu Chan.