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景業名邦
JY GRANDMARK

JY GRANDMARK HOLDINGS LIMITED

景業名邦集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2231)

**DISCLOSEABLE TRANSACTION
TRANSFER OF THE EQUITY INTEREST
IN GUANGZHOU ZHUJING REAL ESTATE CO., LTD.***

THE TRANSFER CONTRACT

On 21 June 2023 (after trading hours), Guangzhou Yinong (an indirect wholly-owned Subsidiary) entered into the Transfer Contract with Guangzhou Tianhan, Shenzhen Zhongzhou and the Transferee pursuant to which, among others, the Transferors have conditionally agreed to transfer to the Transferee the Target Equity Interest, representing 49% of the equity interest in the Target Company, at an aggregate consideration of approximately RMB166.01 million, and the shareholder's loans owed by the Target Company to the Transferors of the aggregate amount of approximately RMB274.25 million (subject to adjustment based on the amount outstanding on the actual payment date) shall be repaid, in accordance with the terms and subject to the conditions of the Transfer Contract.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Transaction is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company, which is subject to the announcement requirement but exempt from the shareholders' approval requirement under the Listing Rules.

INTRODUCTION

On 21 June 2023 (after trading hours), Guangzhou Yinong (an indirect wholly-owned Subsidiary) entered into the Transfer Contract with Guangzhou Tianhan, Shenzhen Zhongzhou and the Transferee pursuant to which, among others, the Transferors have conditionally agreed to transfer to the Transferee the Target Equity Interest, representing 49% of the equity interest in the Target Company, at an aggregate consideration of approximately RMB166.01 million, and the shareholder's loans owed by the Target Company to the Transferors of the aggregate amount of approximately RMB274.25 million (subject to adjustment based on the amount outstanding on the actual payment date) shall be repaid, in accordance with the terms and subject to the conditions of the Transfer Contract.

THE TRANSFER CONTRACT

The principal terms of the Transfer Contract are summarised as follows:

Date

21 June 2023

The Parties

- (a) Guangzhou Yinong, an indirect wholly-owned Subsidiary;
- (b) Guangzhou Tianhan;
- (c) Shenzhen Zhongzhou; and
- (d) The Transferee

Please refer to the paragraph headed "Information on the Parties" of this announcement for details of the parties.

The Transaction and the Equity Interest Consideration

The Transferors have conditionally agreed to transfer to the Transferee the Target Equity Interest, representing 49% of the equity interest in the Target Company, at the Equity Interest Consideration, being approximately RMB166.01 million. The Equity Interest Consideration attributable to Guangzhou Yinong, Guangzhou Tianhan and Shenzhen Zhongzhou is approximately RMB91.31 million, RMB49.80 million and RMB24.90 million, respectively.

The Equity Interest Consideration was determined based on arm's length negotiations between the Transferors and the Transferee with reference to the valuation of the Target Company. The Company has considered the valuation of the Target Company stated in the valuation report dated 9 June 2023 prepared by an independent valuer and arranged by the Transferee. According to the report, the net asset value of the Target Company as at 30 April 2023 at valuation was approximately RMB166.01 million. The Equity Interest Consideration attributable to each of the Transferors was in proportion to their respective share of the Target Equity Interest.

The Equity Interest Consideration shall be settled by the Transferee to the Transferors in cash.

Within three working days after (i) the execution of the Transfer Contract, (ii) the Transferors confirm that the person appointed by the Transferee has the joint management right in the Target Company in accordance with the Transfer Contract and (iii) the Transferee receives the payment from the Other Market Entity acquiring the Target Equity Interest from the Transferee, the Transferee shall pay the first instalment of the amount of RMB67.00 million (the “**First Instalment**”) to a bank account under the name of the Transferee that is jointly managed by the Transferors and the Transferee.

The First Instalment shall be released as follows:

- (a) before the Collective Economic Organisations vote on the Transaction Plan, the Transferors shall notify the Transferee and Guangzhou Tianyue City Reform Investment Co., Ltd.* (廣州天悅城改投資有限公司) shall use its creditor rights in the Target Company as guarantee. Upon completion of these steps, approximately RMB21.58 million of the First Instalment shall be paid to the bank account under the name of the Transferors that is jointly managed by the Transferors and the Transferee. Such amount shall be paid directly to the Target Company as shareholder’s loans for payment of temporary relocation and compensation fees by the Target Company, and shall later be repaid by the Target Company pursuant to the terms detailed in the sub-paragraph headed “Repayment of the Shareholder’s Loans” in this announcement; and
- (b) on the day (the “**Second Release Date**”) when (i) the Transaction Plan is approved by the district government and (ii) the Collective Economic Organisations and the Transferors cooperate with the Transferee to complete the registration procedures for changing the Target Equity Interest to the name of the Transferee, approximately RMB35.37 million and RMB10.05 million of the First Instalment shall be released to Guangzhou Yinong and Shenzhen Zhongzhou, respectively.

On the Second Release Date, the Transferee shall also pay the Transferors the remaining balance of the Equity Interest Consideration which Guangzhou Yinong, Guangzhou Tianhan and Shenzhen Zhongzhou shall receive approximately RMB55.93 million, RMB28.23 million and RMB14.85 million, respectively.

If after the completion of the registration procedures of changing the Target Equity Interest to the name of the Transferee, there are changes in the Target Company’s assets and liabilities that have occurred before the Equity Transfer Reference Date, or there is any debt that the Transferors have not disclosed to the Transferee, or there is a change in the planning conditions of the Target Company’s core assets approved by the government as stipulated in the Transfer Contract, the Transferors shall compensate in accordance with the Transfer Contract or adjust the Equity Interest Consideration.

The Transferee shall enter into another equity interest transfer contract with the Other Market Entity in accordance with the Transaction Plan at the same consideration as the Transfer Contract.

Repayment of the Shareholder's Loans

The Transferors undertake that the Target Company's liabilities as at the Equity Transfer Reference Date shall not exceed RMB965.06 million. If the liabilities of the Target Company exceed such amount or exceed the liabilities disclosed in the Transfer Contract, the Transferors shall settle the additional liabilities on behalf of the Target Company and waive the right of recourse against the Target Company, or the Transferee shall pay directly out of the Equity Interest Consideration. The Transferors shall compensate the Transferee for any loss suffered by the Transferee as a result.

Within 10 working days (which shall not exceed 30 days from the date of registration of the Target Equity Interest in the name of the Transferee) after the Other Market Entity acquires the Target Equity Interest from the Transferee, the Other Market Entity shall arrange the Target Company to repay the shareholder's loans (the "**Shareholder's Loans**") owed to Guangzhou Yinong, Guangzhou Tianhan and Shenzhen Zhongzhou of the respective principal amounts of approximately RMB173.60 million, RMB82.28 million and RMB18.38 million as at the Equity Transfer Reference Date (subject to adjustment based on the amount outstanding on the actual repayment date).

The amount of the Shareholder's Loans to be repaid by the Target Company to the Transferors was determined based on the face value of such loan owed by the Target Company to the respective Transferors on the actual repayment date, including approximately RMB21.58 million being part of the First Instalment paid to the Target Company as shareholder's loan.

The Shareholder's Loans shall be repaid by the Target Company to the Transferors in cash.

INFORMATION ON THE PARTIES

Guangzhou Yinong

Guangzhou Yinong is a company established under the laws of the PRC with limited liability and an indirect wholly-owned Subsidiary. It is principally engaged in property development in the PRC.

Guangzhou Tianhan

Guangzhou Tianhan is a company established under the laws of the PRC which is principally engaged in investment using its own capital and real estate development and operation. It is ultimately owned by Mr. Zhang Guoming (張國明) who is a merchant principally engaged in investment business. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Guangzhou Tianhan and its ultimate beneficial owner are third parties independent of the Company and not a connected person of the Company as at the date of this announcement.

Shenzhen Zhongzhou

Shenzhen Zhongzhou is a company established under the laws of the PRC which is principally engaged in real estate development and business operations within the scope of legally obtained land use rights including self-owned property leasing, investment and establishment of businesses. It is ultimately owned by Mr. Huang Guangmiao (黃光苗) who is a merchant principally engaged in investment business. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Shenzhen Zhongzhou and its ultimate beneficial owner are third parties independent of the Company and not a connected person of the Company as at the date of this announcement.

The Transferee

The Transferee is a limited partnership established under the laws of the PRC which is principally engaged in investment using its own capital. It is ultimately owned by Science City (Guangzhou) Investment Group Co., Ltd.* (科學城(廣州)投資集團有限公司) which is invested by Guangzhou Economic and Technological Development District (廣州經濟技術開發區), Guangzhou Hi-Tech Industry Development Zone* (廣州高新技術產業開發區), Guangzhou Export Processing Zone* (廣州出口加工區), and Guangzhou Free Trade Zone Management Committee* (廣州保稅區管理委員會). Science City (Guangzhou) Investment Group Co., Ltd.* (科學城(廣州)投資集團有限公司) is mainly engaged in new-generation information technology, construction industry and urban renewal, assets and district investment operation management services and other businesses. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Transferee and its ultimate beneficial owners are third parties independent of the Company and not a connected person of the Company as at the date of this announcement.

The Target Company

Immediately before the completion of the transfer of the Target Equity Interest from the Transferors to the Transferee, the Target Company is owned by Guangzhou Yinong, Guangzhou Tianhan, Shenzhen Zhongzhou, Xiasha Economic Union, Xiasha First Economic Cooperative, Xiasha Second Economic Cooperative and Xiasha Third Economic Cooperative as to 26.95%, 14.70%, 7.35%, 12.75%, 12.75%, 12.75% and 12.75%, respectively. The Target Company is an associated company of the Company. Xiasha Economic Union, Xiasha First Economic Cooperative, Xiasha Second Economic Cooperative and Xiasha Third Economic Cooperative were collective economic organizations which were established by the villagers of Zhujiang Village in Guangzhou.

Upon completion of the transfer of the Target Equity Interest from the Transferors to the Transferee, the Target Company shall be owned by the Transferee, Xiasha Economic Union, Xiasha First Economic Cooperative, Xiasha Second Economic Cooperative and Xiasha Third Economic Cooperative as to 49%, 12.75%, 12.75%, 12.75% and 12.75%, respectively.

The Target Company is a company established on 13 May 2021 under the laws of the PRC which is principally engaged in redevelopment of the Project.

The financial information of the Target Company extracted from its unaudited management accounts compiled in accordance with the generally accepted accounting principles of the PRC (the “**Unaudited Management Accounts**”) is as follows:

	For the period from 13 May 2021 (date of establishment of the Target Company) until 31 December 2021 RMB'000 (unaudited)	For the year ended 31 December 2022 RMB'000 (unaudited)
Revenue	13	642
Net loss before taxation and extraordinary items	(7,504)	(21,440)
Net loss after taxation and extraordinary items	(5,629)	(16,080)

The total asset value of the Target Company as at 30 April 2023 in the Unaudited Management Accounts was approximately RMB1,033.43 million.

The Target Company owns the Land which is located at the South of Huangpu District (黃埔區), Guangzhou, the PRC. The total land area for development is approximately 250,500 square meters and the planned total construction building area is approximately 737,200 square meters, including a construction building area of approximately 528,300 square meters as the reconstruction area (復建區) and a construction building area of approximately 208,900 square meters as the financing area (融資區). The reconstruction area (復建區) shall be used for constructing buildings for commercial, residential and public facilities purposes which shall mainly be used for reconstructing the properties to relocate the villagers’ properties and collective properties. The financing area (融資區) shall be used for constructing buildings for residential, commercial offices and public facilities purposes which shall mainly be used for public sale.

USE OF PROCEEDS AND FINANCIAL EFFECT OF THE TRANSACTION

It is the current intention of the Company that the proceeds arising from the Transaction shall be used by the Company as general working capital.

Upon completion of the Transaction, the Company will no longer hold any interest in the Target Company.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The principal business activity of the Company is investment holding. The Group is primarily engaged in the property development and sales, hotel operations, property management and commercial properties investment in the PRC.

Under the prevailing market conditions and the current government policy, the Transferors may face challenges in redeveloping the Land in the near future. The Transaction provides an opportunity for the Company to recoup the capital investment in the Project and improving the liquidity of the Group, and hence providing additional cash to meet its working capital requirements and for future business development of the Group.

The terms of the Transfer Contract have been arrived at after arm's length negotiations between the parties. The Directors (including the independent non-executive Directors) have confirmed that the terms of the Transfer Contract and the Transaction are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Transaction is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company, which is subject to the announcement requirement but exempt from the shareholders' approval requirement under the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below, and words in plural shall include the singular and vice versa, as applicable:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Collective Economic Organisations”	Xiasha Economic Union, Xiasha First Economic Cooperative, Xiasha Second Economic Cooperative and Xiasha Third Economic Cooperative

“Company”	JY Grandmark Holdings Limited (景業名邦集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2231)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company, including independent non-executive directors of the Company
“Equity Interest Consideration”	the aggregate consideration receivable by the Transferors for the transfer of the Target Equity Interest from the Transferors to the Transferee pursuant to the Transfer Contract, as detailed in paragraph headed “The Transaction and the Equity Interest Consideration” in this announcement
“Equity Transfer Reference Date”	30 April 2023
“Group”	the Company and its subsidiaries
“Guangzhou Tianhan”	Guangzhou Tianhan Investment Co., Ltd.* (廣州天瀚投資有限公司), a limited liability company established in the PRC, as further described in the paragraph headed “Information on the Parties – Guangzhou Tianhan” in this announcement
“Guangzhou Yinong”	Guangzhou Yinong Enterprise Co., Ltd.* (廣州意濃實業有限公司), a limited liability company established in the PRC, and an indirect wholly-owned Subsidiary, as further described in the paragraph headed “Information on the Parties – Guangzhou Yinong” in this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a piece of land located at Huangpu District, Guangzhou, the PRC, as further described in the paragraph headed “Information of the Parties – The Target Company” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Other Market Entity”	the other market entity to acquire the Target Equity Interest from the Transferee

“PRC”	the People’s Republic of China which, for the purpose of this announcement, exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Project”	the redevelopment project of the Land by the Target Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shenzhen Zhongzhou”	Shenzhen Zhongzhou Land Co., Ltd.* (深圳市中洲置地有限公司), a limited liability company established in the PRC, as further described in the paragraph headed “Information on the Parties – Shenzhen Zhongzhou” in this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	the subsidiary of the Company
“Target Company”	Guangzhou Zhujing Real Estate Co., Ltd.* (廣州珠景房地產有限公司), a limited liability company established in the PRC, as further described in the paragraph headed “Information on the Parties – The Target Company” in this announcement
“Target Equity Interest”	49% of the equity interest of the Target Company
“Transaction”	the transactions contemplated under the Transfer Contract
“Transaction Plan”	the Transaction and the transfer of the Target Equity Interest from the Transferee to the Other Market Entity
“Transfer Contract”	the transfer contract entered into among the Transferors and the Transferee dated 21 June 2023
“Transferee”	Guangzhou Kejun Enterprise Management Partnership (Limited Partnership)* (廣州科峻企業管理合夥企業(有限合夥)), a limited partnership established in the PRC, as further described in the paragraph headed “Information on the Parties – The Transferee” in this announcement
“Transferors”	Guangzhou Yinong, Guangzhou Tianhan and Shenzhen Zhongzhou
“Xiasha Economic Union”	Guangzhou Huangpu District Huangpu Street Xiasha Economic Union* (廣州市黃埔區黃埔街下沙股份經濟聯合社), an entity established in the PRC

“Xiasha First Economic Cooperative”	Guangzhou Huangpu District Huangpu Street Xiasha First Economic Cooperative* (廣州市黃埔區黃埔街下沙第一股份經濟合作社), an entity established in the PRC
“Xiasha Second Economic Cooperative”	Guangzhou Huangpu District Huangpu Street Xiasha Second Economic Cooperative* (廣州市黃埔區黃埔街下沙第二股份經濟合作社), an entity established in the PRC
“Xiasha Third Economic Cooperative”	Guangzhou Huangpu District Huangpu Street Xiasha Third Economic Cooperative* (廣州市黃埔區黃埔街下沙第三股份經濟合作社), an entity established in the PRC
“%”	per cent.

By Order of the Board
JY Grandmark Holdings Limited
Chan Sze Ming Michael
Chairman

Hong Kong, 21 June 2023

As at the date of this announcement, the Board comprises Mr. Chan Sze Ming Michael, Mr. Liu Huaxi, Ms. Zheng Catherine Wei Hong, Mr. Wu Xinping, and Ms. Wei Miaochang as executive Directors, Mr. Ma Ching Nam, BBS, CStJ, J.P., Mr. Leong Chong and Mr. Wu William Wai Leung as independent non-executive Directors.

* *For identification purposes only*