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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 DISPOSAL OF EQUITY INTERESTS IN A SUBSIDIARY

DISPOSAL OF EQUITY INTERESTS IN A SUBSIDIARY

The Board is pleased to announce that on 8 November 2023 (after trading hours), the Vendors and ML have entered into the SPA with the Purchaser in which the Vendors have agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares (being the entire equity interests in and of the Target Company) at the Consideration of RM310,000,000. Upon completion of the Disposal, the Target Company will cease to be a subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal was more than 5% but all were less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

I. THE DISPOSAL

The principal terms of the SPA are set out below:

Date

8 November 2023 (after trading hours)

Parties

- (a) AREDSB;
- (b) DHSB (which, together with AREDSB, as the Vendors);
- (c) the Purchaser; and
- (d) ML.

Subject Matter

Subject to the terms and conditions of the SPA, AREDSB and DHSB have agreed to sell, and the Purchaser has agreed to purchase, the AREDSB Shares and the DHSB Shares respectively at the Consideration of RM310,000,000. Pursuant to the SPA, ML shall guarantee and undertake to the Purchaser the due performance by the Vendors of all the terms and conditions of the SPA, and the Company shall enter into a corporate guarantee to stand as a guarantor for the Vendors' due performance of all the terms and conditions of the SPA.

Due Diligence

The Purchaser shall be entitled at its sole option to conduct due diligence including but not limited to legal, financial and project development on the Target Company and the Target Project during the DD Period. If the Purchaser is not satisfied with the findings from its due diligence, the Purchaser shall engage the Vendors to resolve the finding issues amicably and in the event that an amicable resolution cannot be reached within fourteen (14) days from the expiry of the DD Period, the Purchaser shall be entitled to at its sole and absolute discretion terminate the SPA by written notice to the Vendors whereupon the Deposit shall be refunded to the Purchaser within seven Business Days together with Interest calculated from the date of the Purchaser's payment of the Deposit to the date of the full refund.

Completion and Consideration

The Consideration for the Disposal amounts to RM310,000,000.

Completion shall take place, and the Consideration shall be settled, in the following manner:

1. Upon the execution of the SPA, the Vendors shall immediately transfer and/or procure the transfer of the DHSB Shares into the Purchaser's (and/or its nominee's) name.

2. The Purchaser shall pay the Deposit to ML on 10 November 2023 subject to the Vendors having delivered all the required documents to the Target Company's company secretary who is authorised to facilitate the transfer of the DHSB Shares into the Purchaser's (and/or its nominee's) name.
3. The Purchaser shall then cause the Balance Purchase Consideration to be paid to the Appointed Stakeholder, as well as taking over the management and all business and daily activities of the Target Company, on the Completion Date, which shall be on or before 27 November 2023 provided that the Purchaser is satisfied with the findings from its due diligence and the legal title of the DHSB Shares having been vested in the Purchaser (and/or its nominee's) (the "**Completion Period**"). If the Purchaser is unable to pay the Balance Purchase Consideration within the Completion Period, the Vendors shall grant an automatic extension to 4 December 2023 (the "**Varied Completion Period**") and if the Purchaser is still unable to pay the Balance Purchase Consideration within the Varied Completion Period, the Vendors shall grant a further automatic extension of ten Business Days subject to the payment of Interest by the Purchaser to the Vendors on the Balance Purchase Consideration or any part unpaid thereof for the period from the expiry of the Completion Period till the date of full payment of Balance Purchase Consideration.
4. Upon (i) the Purchaser's receipt of a written confirmation from the Target Company's company secretary that the AREDSB Shares have been registered into the register of members of the Target Company pursuant to the laws of Malaysia; (ii) the legal title of the AREDSB Shares having been vested in the Purchaser (and/or its nominee); and (iii) the Purchaser's receipt of the share certificate(s) of the AREDSB Shares from the Target Company's company secretary, whichever is the later, the Appointed Stakeholder shall then be authorised and shall release the Balance Purchase Consideration to ML.
5. Following the Completion Date, the Purchaser shall apply the Retention Sum to settle any outstanding debts and liabilities of the Target Company. In the event that there is any surplus under the Retention Sum after the Purchaser has applied the Retention Sum to settle the outstanding debts and liabilities of the Target Company, the surplus shall be refunded to ML. Conversely, if there is any deficit under the Retention Sum after the Purchaser has applied the Retention Sum to settle the outstanding debts and liabilities of the Target Company, the Vendors shall reimburse the said deficit to the Purchaser.

Basis of the Consideration

The Consideration was determined between the Vendors and the Purchaser after arm's length negotiations with reference to, amongst other things, the amount of investment and capital previously contributed by the Vendors into the Target Company and/or the Target Project in the sum of approximately RM768,000,000, the unaudited net liability value of the Target Company as of 31 October 2023 being

approximately RM126,934,467, the potential selling price of the condominium units in the Target Project taking into account the historical average selling prices of similar condominium units in the surrounding area in the market of approximately RM1,000 per square foot, the size of the building area in the Target Project, the cost for the acquisition of the land by the Target Company being approximately RM449,000,000, the building and development costs for the Target Project (approximately RM765,000,000), as well as interior decoration costs, external financing and interest expenses, selling and administrative expenses, taxes, the prospects of the real estate market in the local area, and on the assumption that there will not be material changes in the local real estate market environment and prospects in Kuala Lumpur.

II. INFORMATION OF THE GROUP

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 and construction.

AREDSB

AREDSB is a company established in Malaysia with limited liability on 6 January 2014, and an indirect wholly-owned subsidiary of the Company. The principal business of AREDSB is provision of management consultation services.

ML

ML is a company established in Hong Kong with limited liability on 6 May 2013, and a direct wholly-owned subsidiary of the Company. The principal business of ML is investment holding.

III. INFORMATION OF THE PURCHASER, DHSB, AND THE TARGET COMPANY

The Purchaser

The Purchaser is a company established in Malaysia with limited liability on 21 January 2000. The principal business of the Purchaser includes property development and related activities. The ultimate beneficial owners of the Purchaser are (i) Tan Sri Dato' Law Tien Seng and (ii) Puan Sri Datin Saw Geok Ngor.

DHSB

DHSB is a company established in Malaysia with limited liability on 25 October 2018. The ultimate beneficial owner of DHSB is Ferdaus Bin Mahmood. The principal business of DHSB is investment holding.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Purchaser, DHSB and their respective ultimate beneficial owners is an Independent Third Party.

The Target Company

The Target Company is a company established in Malaysia with limited liability on 19 February 2014. The principal business of the Target Company is the management and development of the Target Project. Prior to the Vendors and the Purchaser entering into the SPA, the Target Company was an indirect wholly-owned subsidiary of the Group, in which AREDSB held 70% of the equity interests in the Target Company and DHSB held 30% of the equity interests in the Target Company as nominee on behalf of, and for the benefit of, AREDSB. Following the completion of the Disposal, the Target Company will cease to be a subsidiary of the Group, and will become a direct wholly-owned subsidiary of the Purchaser.

Set out below is the financial information of the Target Company for the two financial years ended 31 December 2022 as extracted from its audited management financial statements prepared in accordance with generally accepted accounting principles in Malaysia:

	For the financial year ended 31 December 2022 (in RM'000) (audited)	For the financial year ended 31 December 2021 (in RM'000) (audited)
Net profit/(loss) (before taxation)	(48,012)	(34,030)
Net profit/(loss) (after taxation)	(48,037)	(34,076)

According to the unaudited management financial statements of the Target Company, the unaudited net liability value of the Target Company as at 31 October 2023 was approximately RM126,934,467.

IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE SPA

In light of the prevailing market conditions and the increasingly challenging operating environment of the property industry in Malaysia, the Directors believe that the entering into of the SPA would (i) generate immediate cash inflow to the Group after the disposal of its interests in the Target Company, which would in turn improve the liquidity of the Group and facilitate the Group to meet its working capital requirements for the development of its other property projects; and (ii) streamline the Group's existing business structure and operations.

In light of the above reasons, the Directors are of the view that the terms of the SPA and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

V. FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

Upon completion of the Disposal, the Target Company will cease to be a subsidiary of the Company and its results and net liabilities will no longer be consolidated in the results of the Company. It is expected that upon completion of the Disposal, the Company will record an estimated loss of approximately RM371,209,182.75, which is calculated with reference to the difference between the Consideration receivable by the Group and the fair value of the Sale Shares.

The actual loss to be recorded by the Company in relation to the Disposal is subject to audit.

It is intended that the net proceeds from the Disposal will be used for general working capital of the Group and its future capital needs for its business.

VI. IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal was more than 5% but all were less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14 of under the Listing Rules.

VII. DEFINITIONS

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

“Appointed Stakeholder”	a law firm in Malaysia jointly appointed by the Vendors and the Purchaser to act as escrow agent under the SPA
“AREDSB”	Agile Real Estate Development (M) Sdn Bhd, a company established in Malaysia with limited liability on 6 January 2014 and an indirect wholly-owned subsidiary of the Company
“AREDSB Shares”	the 70% ordinary and all preference shares in the Target Company, registered in the name of AREDSB and beneficially owned by AREDSB
“Balance Purchase Consideration”	RM110,000,000, being part of the Consideration payable by the Purchaser in accordance with the SPA
“Board”	the board of Directors
“Business Days”	means a day (excluding Saturday, Sunday and public holiday) on which banks are open for banking business in Kuala Lumpur
“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)
“Completion Date”	means the date the Balance Purchase Consideration is deposited by the Purchaser to the Appointed Stakeholder in accordance with the terms and conditions of the SPA
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of the Disposal of RM310,000,000 payable by the Purchaser to the Vendors pursuant to the SPA
“DD Period”	the due diligence period starting from the date of the SPA to 20 November 2023 (both days inclusive) during which the Purchaser may conduct legal and financial due diligence on the Target Company and the Target Project

“Deposit”	RM120,000,000, being part of the Consideration payable by the Purchaser in accordance with the SPA
“DHSB”	Duta Hicon Sdn Bhd, a company established in Malaysia with limited liability on 25 October 2018
“DHSB Shares”	the 30% ordinary shares in the Target Company, registered in the name of DHSB and held as nominee on behalf of and for the benefit of AREDSB
“Directors”	the directors of the Company
“Disposal”	the disposal of the DHSB Shares and the AREDSB Shares by DHSB and AREDSB respectively to the Purchaser as contemplated under the SPA
“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 person(s)
“Interest”	interest at a rate of 8% per annum calculated on a daily rest
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“ML”	Mindway Limited (維誼有限公司), a company established in Hong Kong with limited liability on 6 May 2013 and a direct wholly-owned subsidiary of the Company
“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
“Purchaser”	Law Developments Sdn Bhd, a company established in Malaysia with limited liability on 21 January 2000
“Retention Sum”	RM80,000,000, being part of the Consideration payable by the Purchaser but will be applied by the Purchaser to settle any outstanding debts and liabilities of the Target Company
“RM”	Ringgit, the lawful currency of Malaysia

“Sale Shares”	collectively the AREDSB Shares and the DHSB Shares, representing 100% equity interests in and of the Target Company
“Shareholders”	shareholder(s) of the Company
“SPA”	the sale and purchase agreement dated 8 November 2023 and entered into between the Vendors, ML, and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Agile Property Development Sdn Bhd, a company established in Malaysia with limited liability on 19 February 2014
“Target Project”	the development of a plot of land owned by the Target Company with an area of 11,178 square meters for residential use and the construction of condominium units thereon located at Geran 80433, Lot 20008, Seksyen 89A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan situated at Taman U Thant, Kuala Lumpur, Malaysia
“Vendors”	AREDSB and DHSB
“%”	per cent.

By Order of the Board
Agile Group Holdings Limited
Ng Wai Hung
Company Secretary

Hong Kong, 8 November 2023

As at the date of this announcement, the Board comprises ten members, being Mr. Chen Zhuo Lin (Chairman and President), 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 Dr. Peng Shuolong#.*

* *Executive Directors*

** *Non-executive Directors*

Independent Non-executive Directors