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HUIJING HOLDINGS COMPANY LIMITED

滙景控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 9968)

CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF MINORITY INTEREST IN A SUBSIDIARY

EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that on 29 November 2023 (after trading hours), the Company, the Vendor and the Guarantor entered into the Equity Transfer Agreement, pursuant to which the Company agreed to acquire the Target Equity (which represents the remaining 40.82% equity interest of the Target Company) from the Vendor at a consideration of RMB26,500,000 (equivalent to approximately HK\$29,091,170). Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Equity Transfer Agreement exceed 5% but all are less than 25%, the Acquisition contemplated under the Equity Transfer Agreement constitutes a discloseable transaction for the Company, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Vendor is a connected person of the Company at the subsidiary level by virtue of being a director and substantial shareholder of the Target Company, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, as (i) the Vendor is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Equity Transfer Agreement are on normal commercial terms; and (iii) the Board (including all the independent non-executive Directors) have approved the Equity Transfer Agreement and the transactions contemplated thereunder and confirmed that the transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Equity Transfer Agreement are subject to reporting and announcement requirements but are exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Guarantor is a non-executive Director, the chairman of the Board and a controlling shareholder of the Company, and therefore a connected person of the Company. The guarantee provided by the Guarantor under the Equity Transfer Agreement for the performance by the Company of its obligations would amount to financial assistance by a connected person for the benefit of the Group, which are on normal commercial terms or better, and such guarantee is not secured by the assets of the Group. Therefore, the guarantee provided by the Guarantor under the Equity Transfer Agreement is exempt under Rule 14A.90 of the Listing Rules from all reporting, annual review, announcement and shareholders' approval requirements.

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EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarised as follows:

Date: 29 November 2023

Parties: Mr Chen Jinxuan (as Vendor);
the Company (as purchaser); and
Mr Lun Ruixiang (as guarantor of the Company).

As at the date of this announcement, the Vendor holds 40.82% equity interest in the Target Company and is a director and substantial shareholder of the Target Company. The Vendor is therefore a connected person of the Company at the subsidiary level.

As at the date of this announcement, the Guarantor is a non-executive Director, chairman of the Board and a controlling shareholder of the Company. The Guarantor joined as a party to the Equity Transfer Agreement to guarantee the performance by the Company of all of its obligations under the Equity Transfer Agreement, up to three years from the date of expiration of the period for the performance of obligations by the Company under the Equity Transfer Agreement.

Assets to be acquired

Pursuant to the Equity Transfer Agreement, the Vendor has agreed to sell, and the Company has agreed to acquire the Target Equity, which represents the remaining 40.82% equity interest in the Target Company at the Consideration.

Consideration

The Consideration of RMB26,500,000 (equivalent to approximately HK\$29,091,170) was determined after arm's length negotiations between the Company and the Vendor, having taken into account of, among other things, the cumulative owner's equity of Pinghu City Chang Ming as at 31 August 2023, which was approximately RMB130,000,000.

Pursuant to the Equity Transfer Agreement, in addition to the Consideration, the amount payable by the Company to the Vendor before Completion shall include the following:

- (i) HK\$80,250, representing the unsettled legal fees in relation to a past transaction between a related party of the Vendor and a related party of the Company;
- (ii) US\$200,000 (equivalent to approximately HK\$1,559,004), representing an outstanding amount on the books of the Target Company in relation to the said past transaction owing to a related party of the Vendor; and
- (iii) HK\$180,000, representing certain licensing fees paid for the Target Company by the Vendor.

The total amount payable by the Company to the Vendor pursuant to the Equity Transfer Agreement amounts to approximately HK\$30,910,424, and is expected to be funded by the internal resources of the Group. According to the Equity Transfer Agreement, the total amount payable by the Company should be paid before 31 December 2023.

Completion

Completion will take place on the date which the full amount payable by the Company pursuant to the Equity Transfer Agreement has been settled and received by the Vendor. The Vendor shall procure the registration in respect of the change in ownership in respect of 40.82% equity interest of the Target Company within 15 days upon Completion.

After the execution of the Equity Transfer Agreement, if the relevant government authorities have lifted the restrictions on the funds in the designated bank accounts of Pinghu City Chang Ming in relation to the pre-sale proceeds before the due date of the total amount payable pursuant to the Equity Transfer Agreement, the Company and Pinghu City Chang Ming agreed to settle the total amount payable under the Equity Transfer Agreement in one lump sum within 3 days after the lifting of the restrictions.

INFORMATION OF THE COMPANY, THE GROUP AND PARTIES TO THE EQUITY TRANSFER AGREEMENT

The Company and the Group

The principal activity of the Company is investment holding. The Group is principally engaged in the business of property development in China mainly in the Southern, Central and Eastern China regions as well as engaging in the Three-old Transformation projects in Dongguan, Guangdong Province.

The Guarantor

Mr Lun Ruixiang, a non-executive Director, the chairman of the Board and a controlling shareholder of the Company.

The Vendor

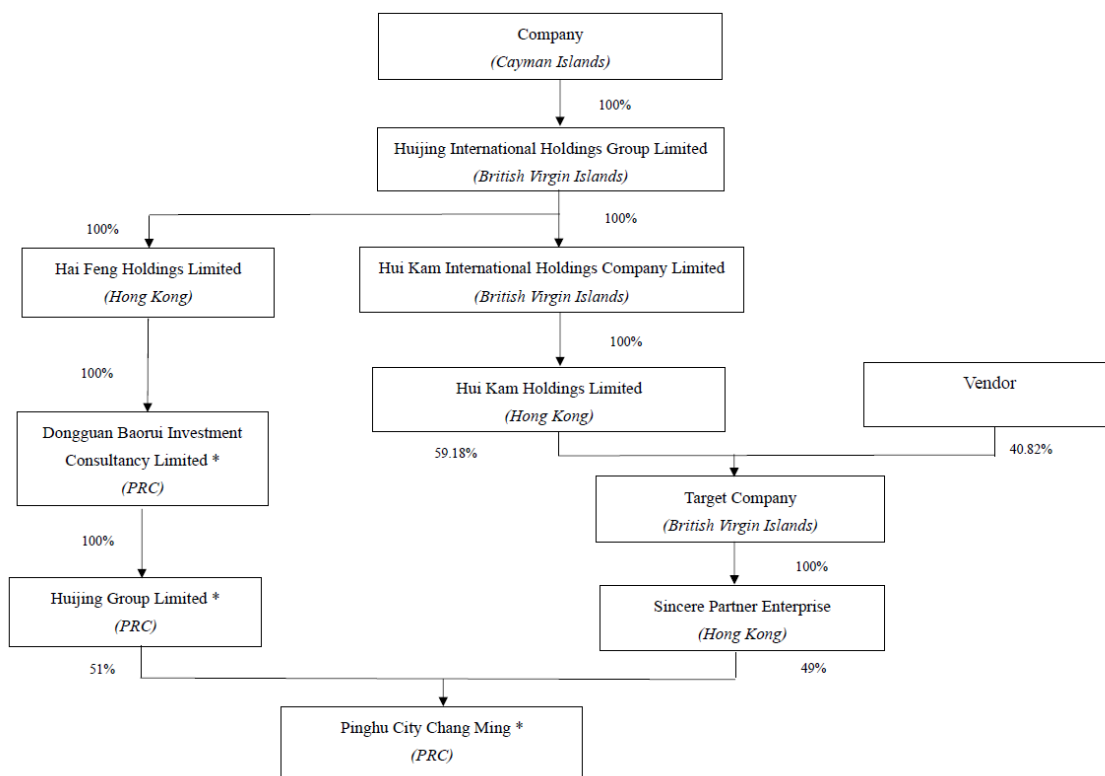
Mr Chen Jinxuan, a connected person of the Company at the subsidiary level by virtue of being a director and substantial shareholder of the Target Company, works in the education industry. As at the date of this announcement, the Vendor, through the Target Group, indirectly and effectively holds approximately 20% equity interest in Pinghu City Chang Ming and the Project.

INFORMATION OF THE TARGET GROUP AND PINGHU CITY CHANG MING

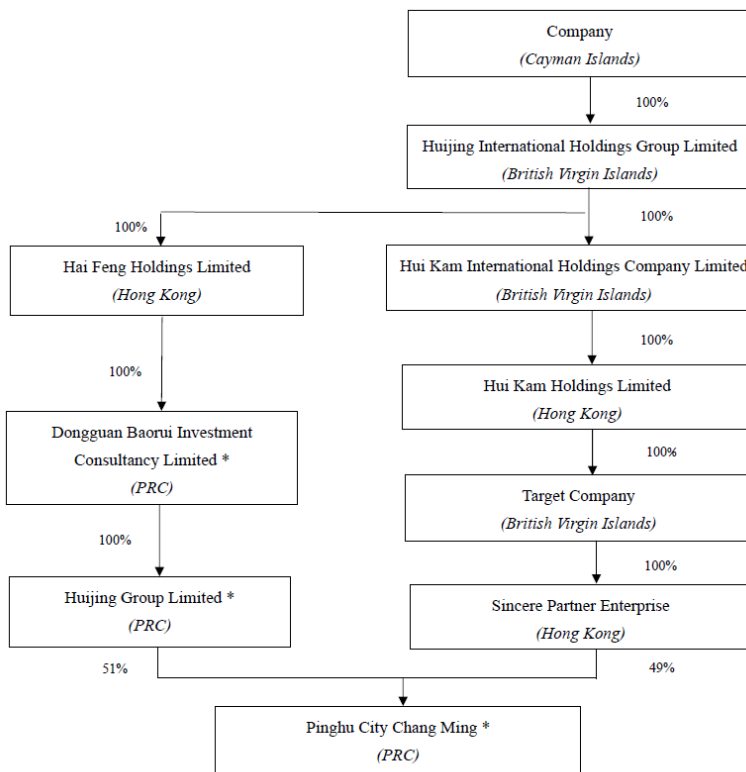
The Target Group

The Target Company is a limited liability company established under the laws of the British Virgin Islands. It is principally engaged in investment holding. The Target Company is (i) indirectly held as to 59.18% by the Company; and (ii) directly held as to 40.82% by the Vendor as at the date of this announcement. As at the date of this announcement, the Target Company holds 100% of the issued shares of Sincere Partner Enterprise, which in turn holds 49% of Pinghu City Chang Ming. As at the date of this announcement, the Target Group has no business operation save for acting as investment holding companies. The remaining 51% equity interest of Pinghu City Chang Ming is indirectly owned by the Company, and thus Pinghu City Chang Ming is a non-wholly owned subsidiary of the Company as at the date of this announcement.

Set out below is the corporate structure of the Target Group as at the date of this announcement:



Set out below is the corporate structure of the Target Group upon Completion:



For the financial years ended 31 December 2021 and 2022, the Target Company did not record any unaudited net profits or losses before taxation and unaudited net profits or losses after taxation. The unaudited net asset value of the Target Company as at 31 December 2022 was approximately RMB689.24.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as the Target Company was established by the brother of the Vendor who held the shares of the Target Company on trust for the Vendor, there is no original acquisition cost in respect of the Target Equity.

As at the date of this announcement, the Target Company is a non-wholly owned subsidiary of the Company and the financial results of the Target Company are consolidated into the financial statements of the Company. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will continue to be consolidated into the financial statements of the Company.

Pinghu City Chang Ming

Pinghu City Chang Ming is a limited liability company established in the PRC which holds the Project situated in Pinghu city, Jiaxing, Zhejiang Province, the PRC as at the date of this announcement. Pinghu City Chang Ming is principally engaged in property development.

A summary of certain financial information of the Pinghu City Chang Ming for the financial years ended 31 December 2021 and 2022 is set out below:

	For the year ended 31 December 2021 (unaudited) RMB	For the year ended 31 December 2022 (unaudited) RMB
Net Loss before taxation	30,622,112	47,557,877
Net Loss after taxation	46,345,592	50,175,094

The unaudited net liabilities value of Pinghu City Chang Ming as at 31 December 2022 was approximately RMB26,099,295.

As at the date of this announcement, 618 units of properties in respect of the Project have already been sold and delivered, with the remaining 4 units having been sold but yet to be delivered. As at 31 August 2023, Pinghu City Chang Ming has a cumulative owner's equity of approximately RMB130,000,000.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As at the date of this announcement, the Target Company is (i) indirectly held as to 59.18% by the Company; and (ii) directly held as to 40.82% by the Vendor. As at the date of this announcement, the Target Company holds 100% of the issued shares of Sincere Partner Enterprise, which in turn holds 49% of Pinghu City Chang Ming, which holds the Project. 618 properties in respect of the Project have already been sold and delivered to purchasers, with the remaining 4 units having been sold but yet to be delivered, but Pinghu City Chang Ming is still responsible for maintenance in the coming two years.

The Board considers that the Acquisition would enable the Group to be vested with full decision-making and management powers in respect of Pinghu City Chang Ming, as opposed to the Vendor selling the Target Equity to another party, which may give rise to uncertainty in shareholder dynamics.

The Directors (including the independent non-executive Directors) are of the view that, while the Equity Transfer Agreement is not entered into in the ordinary and usual course of business of the Group, the terms of the Equity Transfer Agreement are fair and reasonable, the Acquisition is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

The Guarantor has voluntarily abstained from voting on the relevant resolutions of the Board approving the Equity Transfer Agreement and the transactions contemplated thereunder. None of the other Directors have a material interest in the Equity Transfer Agreement and the transactions contemplated thereunder and were required to abstain from voting on the relevant resolutions of the Board approving the Equity Transfer Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Equity Transfer Agreement exceed 5% but all are less than 25%, the Acquisition contemplated under the Equity Transfer Agreement constitutes a discloseable transaction for the Company, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Vendor is a connected person of the Company at the subsidiary level by virtue of being a director and substantial shareholder of the Target Company, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, as (i) the Vendor is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Equity Transfer Agreement are on normal commercial terms; and (iii) the Board (including all the independent non-executive Directors) have approved the Equity Transfer Agreement and the transactions contemplated thereunder and confirmed that the transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Equity Transfer Agreement are subject to reporting and announcement requirements but are exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

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CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 April 2023 and will remain suspended, pending the fulfillment of the guidance for the resumption of trading in the shares of the Company and any supplement or modification thereto.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of the Target Equity by the Company from the Vendor in accordance with the terms of the Equity Transfer Agreement
“Board”	the board of Directors
“Company”	Huijing Holdings Company Limited (滙景控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the transactions contemplated under the Equity Transfer Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB26,500,000 (equivalent to approximately HK\$29,091,170), being the total consideration in respect of the Target Equity under the Equity Transfer Agreement
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the Equity Transfer Agreement dated 29 November 2023 entered into by the Vendor, the Company and the Guarantor in relation to the Acquisition
“Group”	the Company and its subsidiaries

“Guarantor”	Mr Lun Ruixiang, a non-executive Director, the chairman of the Board and a controlling shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pinghu City Chang Ming”	Pinghu City Chang Ming Property Management Company Limited* (平湖市昌明物業管理有限公司), a limited liability company established in the PRC, which holds the Project
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Project”	a commercial and residential property project situated in Pinghu city, Jiaxing, Zhejiang Province, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Sincere Partner Enterprise”	Sincere Partner Enterprise Limited, a company incorporated in Hong Kong, which is a subsidiary of the Target Company and an investment holding company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Sincere Partner Holdings Company Limited, a limited liability company incorporated in the British Virgin Islands and is indirectly owned as to 59.18% by the Company as at the date of this announcement
“Target Equity”	40.82% equity interest in the Target Company which the Vendor agreed to sell and the Company agreed to acquire pursuant to the Equity Transfer Agreement
“Target Group”	the Target Company and its subsidiary, being Sincere Partner Enterprise
“Vendor”	Mr Chen Jinxuan, a director and substantial shareholder of the Target Company and a connected person of the Company at subsidiary level as at the date of this announcement
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

Unless otherwise specified in this announcement and for the purpose of illustration only, (i) RMB is translated into HK\$ at the rate of HK\$1.09778:RMB1.00; and (ii) US\$ is translated into HK\$ at the rate of HK\$7.79502:US\$ 1.00. No representation is made that any amounts in RMB or US\$ have been or could be converted at the above rate or at any other rates or at all.

By order of the Board
Huijing Holdings Company Limited
Lun Ruixiang
Chairman and Non-executive Director

Hong Kong, 29 November 2023

As at the date of this announcement, the Board comprises Mr Lun Zhao Ming, Mr Lu Peijun and Mr Luo Chengyu as executive Directors, Mr Lun Ruixiang as a non-executive Director, and Mr Chan Kin Man, Ms Ou Ningxin and Mr Chen Guilin as independent non-executive Directors.

** For identification purposes only*