Jiu Rong Holdings Limited
久融控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2358)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF SALE SHARES

Financial Adviser to the Company

華升資本
CHINA SUNRISE CAPITAL

THE EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that on 28 February 2025 (after trading hours), the Vendor (as vendor) entered into the Equity Transfer Agreement with the Purchaser (as purchaser), pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, approximately 5.22% of total issued share capital in the Target Company at the consideration of approximately RMB36,487,800 (equivalent to approximately HK$39,234,194) subject to the terms and conditions of the Equity Transfer Agreement. Upon Completion of the Disposal, the Company will cease to hold any interest in the Target Company.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 25% but all of them are less than 75%, the Disposal constitute major transaction for the Company pursuant to Rule 14.06(3) of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Save as Ms. Chen Shan (an executive Director of the Company) who is the supervisor of the Purchaser and the Target Company, who abstain from voting, none of the Directors has a material interest in the Disposal and hence no Director is required to abstain from voting on the relevant resolution(s) of the Board approving the Equity Transfer Agreement and the transactions contemplated thereunder.

GENERAL INFORMATION

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

The voting in respect of the Disposal at the EGM will be conducted by way of poll. To the best knowledge of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as our Shareholder, SOYEA Technology, who holds approximately 9.99% of the total issued share capital of the Company and also holds the entire issued share capital of the Purchaser who shall abstain from voting at the EGM, no Shareholders or any of their associates has any material interest in the Equity Transfer Agreement and the transactions contemplated thereunder, and will be required to abstain from voting on the relevant resolution(s) to approve the Equity Transfer Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) further information on the Equity Transfer Agreement and the transactions contemplated thereunder; (ii) other information as required under the Listing Rules; and (iii) a notice of the EGM, is expected to be despatched to the Shareholders on or before 21 March 2025.

Completion of the Disposal is subject to fulfilment of various conditions precedents, among others, the approval of the Disposal by the Shareholders at the EGM and applicable PRC authorities. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

THE DISPOSAL

The Board is pleased to announce that on 28 February 2025 (after trading hours), the Purchaser and the Vendor, being an indirect wholly-owned subsidiary of the Company entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing approximately 5.22% of the total issued share capital in the Target Company, for a total consideration of RMB36,487,800 (equivalent to approximately HK$39,234,194).

THE EQUITY TRANSFER AGREEMENT

Principal terms of the Equity Transfer Agreement are summarised below:

Date	:	28 February 2025 (after trading hours)
Parties	:	(1) the Vendor as vendor; and
		(2) the Purchaser as purchaser

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquires, the Purchaser is an Independent Third Party.

Interest to be disposed of

Pursuant to the terms and conditions of the Equity Transfer Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing approximately 5.22% of total issued share capital in the Target Company.

At the date of this announcement, the total issued share capital in the Target Company is held as to approximately 5.22% by the Vendor. Further details of the financial effects of the Disposal are set out in the section headed "FINANCIAL EFFECTS AND USE OF PROCEEDS OF THE DISPOSAL" in this announcement.

Upon Completion of the Disposal, the Company will cease to hold any shares in the Target Company.

The consideration and payment terms

The consideration for the Disposal is RMB36,487,800 (equivalent to approximately HK$39,234,194), which shall be payable in full to set off the trade payables owing by the Company to the Purchaser on a dollar to dollar basis, no net proceeds will be received by the Company at the Completion of the Disposal. As at the date of Equity Transfer Agreement, the trade payables owing by the Group to the Purchaser is approximately RMB46,402,800 (equivalent to approximately HK$49,895,484). Both the Vendor and the Purchaser agree that the above offsetting arrangement will not affect the fulfillment of other rights and obligations as stipulated for both parties under the Equity Transfer Agreement, nor will it constitute any form of waiver of the Purchaser's claims regarding the remaining amounts owed by the Vendor to the Purchaser.

Basis for the determination of the consideration

The consideration for the Disposal was determined after arm's length negotiations between the Vendor and the Purchaser after taking into account: (i) the historical financial performance and position of the business of the Target Company and its subsidiaries; (ii) the prospect of the business of the Target Company; (iii) the net asset value attributable to the owners of the Target Company of approximately RMB4.72 per share of the Target Company as at 30 June 2024, of which the consideration for each of the Sale Shares represents a premium of approximately 75.64% over the net asset value of each share of the Target Company; (iv) the low trading liquidity of the shares of the Target Company trading on NEEQ, which recorded (a) nil trading volume as recorded over the past 27 trading days out of 30 trading days immediately prior to the date of the announcement; and (b) the average trading volume (calculated by dividing the total trading volume for the period by the number of trading days in the respective period) of approximately 103.3 and 464.4 shares of Target Company over the past 30 and 90 consecutive trading days immediately prior to the date of this announcement respectively; and (v) other factors as set out in the section headed "REASONS FOR AND BENEFITS OF THE DISPOSAL".

The consideration per Sale Shares is equivalent to approximately RMB8.29, representing a premium of approximately 137.5% and 137.5% over the closing price of RMB3.49 immediately prior to the date of the announcement (i.e. 27 February 2025) and average closing price of RMB3.49 per Sale Shares for its five consecutive trading days immediately prior to the date of the announcement, respectively.

Taking into consideration the above, the Board believes that the consideration for the Disposal is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Transfer of Sale Shares

(i) Both the Vendor and Purchaser shall complete the transfer procedures for the Sale Shares at China Securities Depository and Clearing Corporation Limited (Beijing Branch) within the timeframe specified in the confirmation document issued by NEEQ in connection with the transfer of Sale Shares; and

(ii) Upon the transfer of Sale Shares completed, the Purchaser shall become the sole owner of the Sale Shares, possessing complete rights to dispose of and benefit from the Sale Shares. The Vendor or any other third party shall not hold any rights to dispose of, benefit from, or possess any other rights related to the Sale Shares.

Undertakings

(i) the Equity Transfer Agreement and the transactions contemplated thereunder have been properly disclosed to the public in accordance with the requirements from the official authorities and the relevant laws, and both parties shall use their best endeavours to obtain all necessary approvals or consents for the Equity Transfer Agreement and the transactions contemplated thereunder from the relevant parties (including but not limited to any government authorities or any related third parties) (if necessary) and there are no laws or regulations prohibiting the Disposal as at a Completion date;

(ii) the Vendor does not have any pending disputes, lawsuits, arbitrations, judicial proceedings or administrative procedures or government investigations against the Sale Shares that may result in restrictions on the rights of the Sale Shares, nor does it have any circumstances or risks of litigation, arbitration, judicial or administrative procedures or government investigations that may result in the freezing or seizure of the Sale Shares;

(iii) the Sale Shares do not have any third-party rights or interests or any other rights restrictions such as pledges, seizures, freezing, or any other forms of priority arrangements. The Sale Shares are unrestricted tradable shares. After the transfer of the Sale Shares, the Purchaser will have full and complete ownership of the Sale Shares in accordance with the law; and

(iv) Upon execution of the Equity Transfer Agreement, the Vendor shall not negotiate with any third party other than the Equity Transfer Agreement on the Disposal of the Sale Shares, and shall not enter into any agreement, contract or other documents on the Disposal with any other third party on such matters.

Completion

Completion of the Disposal and the transactions contemplated under the Equity Transfer Agreement shall take place subject to the Shareholders having approved the Equity Transfer Agreement and the transaction contemplated thereunder at the EGM in accordance with the Listing Rules.

INFORMATION ON THE TARGET COMPANY

The Target Company was established in the PRC and its shares are listed on NEEQ (stock code: 832968). The Target Company is principally engaged in the provision of construction, management and operation of science and technology parks. As at the date of this announcement, the Company, through the Vendor, holds approximately 5.22% of total issued share capital in the Target Company.

FINANCIAL SUMMARY OF THE TARGET COMPANY

Set out below is the financial information of the Target Company and its subsidiaries as extracted from its audited financial statements prepared in accordance with the PRC Generally Accepted Accounting Principles for the two years ended 31 December 2022 and 2023:

	For the year ended 31 December	
	2022	**2023**
	RMB' million	*RMB' million*
Revenue	106.3	132.7
Profit before taxation	24.0	52.7
Profit after taxation	17.3	39.3

	As at 31 December	
	2022	**2023**
	RMB' million	*RMB' million*
Net assets value attributable to the owners of the Target Company	374.8	395.7

As at 30 June 2024, the unaudited net assets attributable to the owners of the Target Company was approximately RMB398.3 million.

INFORMATION ON VENDOR

The Vendor is a company incorporated in the PRC with limited liability and is an indirect wholly- owned subsidiary of the Company, and as at the date of this announcement, SOYEA Technology holds approximately 9.99% of the total issued share capital of the Company. The Vendor is principally engaged in new energy vehicles business.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the PRC with limited liability. The Purchaser is principally engaged in intelligent system integration engineering design, construction and software development. As at the date of this announcement, the Purchaser holds approximately 88.83% of the issued share capital in the Target Company. In addition, the Purchaser is a wholly-owned subsidiary of SOYEA Technology, who currently holds approximately 9.99% of the total issued share capital of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

THE REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in digital video business, the new energy vehicles business, cloud ecological big data business, property investments, property development and general trading. Given the Group has been making a loss since 2022, the Directors have been actively reviewing and intends to make adjustments to the existing businesses of the Group, so as to streamline the operations and improve the financials of the Group in the future. The Disposal allows the Company to devote more resources and efforts to focus on other core business segments for future development.

In view of the above, save as Ms. Chen Shan who abstain from voting, all the other Directors (including all the independent non-executive Directors) consider that although the Disposal is not the ordinary and usual course of business of the Group, the terms and conditions for the Disposal are on normal commercial terms, fair and reasonable, and is in the interest of the Company and its Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

As at 30 June 2024, the Group recognised an accumulated unrealised loss on fair value change of such equity investment of approximately HK$11.8 million in equity investment revaluation reserve ("**FVOCI reserve**").

Upon Completion, the Company will not hold any interest in the Target Company and the FVOCI reserve will be transferred to retained earnings and will not be reclassified to consolidated income statement. Based on (i) the carrying value of the Sale Shares in the Company's unaudited consolidated financial statements as at 30 June 2024 of approximately HK$13.4 million; (ii) the consideration under the Equity Transfer Agreement; and (iii) the estimated transaction costs. It is expected that the Group will record an estimated profit of approximately HK$25.8 million in respect of the Disposal, which is subject to audit.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 25% but all of them are less than 75%, the Disposal constitute major transaction for the Company pursuant to Rule 14.06(3) of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Save as Ms. Chen Shan (an executive Director of the Company) who is the supervisor of the Purchaser and the Target Company, who abstain from voting, none of the Directors (including the independent non-executive Directors) has a material interest in the Equity Transfer Agreement, and none of the Directors has abstained from voting on the relevant Board resolutions.

A circular containing, among other things, (i) further information on the Equity Transfer Agreement and the transactions contemplated thereunder; (ii) other information as required under the Listing Rules; and (iii) a notice of the EGM, is expected to be despatched to the Shareholders on or before 21 March 2025.

Completion of the Disposal is subject to fulfilment of various conditions precedents, among others, the approval of the Disposal by the Shareholders at the EGM and applicable PRC authorities. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Board"	the board of Directors
"Company"	Jiu Rong 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: 2358)
"Completion"	completion of the Disposal in accordance with the Equity Transfer Agreement
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"Disposal"	the proposed disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the Equity Transfer Agreement
"EGM"	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Equity Transfer Agreement and the transactions contemplated thereunder
"Equity Transfer Agreement"	the conditional agreement dated 28 February 2025 entered into between the Vendor and the Purchaser relating to the Disposal

"Group"	The Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third parties independent of the Company and its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"NEEQ"	National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
"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"	Hangzhou Yihe Network Co., Ltd.* (杭州易和網路有限公司), which is wholly-owned by SOYEA Technology who currently owned 9.99% of the issued share capital of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	4,400,000 ordinary shares in the Target Company held by the Vendor, representing approximately 5.22% of the Target Company's total number of issued shares
"Share(s)"	the ordinary share(s) of HK$0.10 each in the capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"SOYEA Technology"	SOYEA Technology Co., Limited* (數源科技股份有限公司), shares of which is currently listed on the Shenzhen Stock Exchange (stock code: 000909)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Hangzhou East Software Park Co., Ltd.* (杭州東部軟件園股份有限公司), share of which is currently listed on NEEQ (stock code: 832968)
"Vendor"	Jiu Rong New Energy Science and Technology Limited* (久融新能源科技有限公司), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company
"%"	per cent.

For the purpose of this announcement, unless otherwise stated, the conversion of RMB into HK$ is based on the exchange rate of HK$1.00 to RMB0.93. The exchange rate has been used, where applicable, for the purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates at all.

* *In this announcement, the English names of the PRC entities marked in asterisks are direct translations of their respective Chinese names and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*

By order of the Board
Jiu Rong Holdings Limited
Chen Yunxiang
Executive Director

Hong Kong, 28 February 2025

As at the date of this announcement, the Executive Directors are Mr. Chen Yunxiang and Ms. Chen Shan, the Independent Non-executive Directors are Mr. Chen Zheng, Mr. Wong Chi Kin and Mr. Hua Nengdong.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.