Jiu Rong Holdings Limited
久融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2358)

POSSIBLE MAJOR TRANSACTION
MANDATE FOR DISPOSAL(S) OF LISTED SECURITIES

Financial Adviser to the Company

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THE POSSIBLE DISPOSAL(S) AND THE DISPOSAL MANDATE

The Company proposes to seek approval for the Disposal Mandate from the Shareholders at the EGM in advance to allow the Directors to dispose of 92,430,000 SSG Shares, representing approximately 2.4% of the total issued share capital of SSG as at the date of this announcement, during the Mandate Period.

IMPLICATIONS UNDER THE LISTING RULES

Assuming that all SSG Shares held by the Group will have been disposed of within the Mandate Period at the Minimum Selling Price, one or more applicable percentage ratios of the Disposal(s), when aggregated with the Previous Disposals conducted in the previous 12-month period, will exceed 25% but be less than 75%, the Disposal(s) will constitute major transaction on the part of the Company under Chapter 14 of the Listing Rules and shall be subject to the Shareholders' approval at the EGM.

The Company will seek the approval of the Shareholders at the EGM for the Disposal Mandate and the Disposal(s) to allow the Company to dispose of 92,430,000 SSG Shares held by the Group during the Mandate Period.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Disposal Mandate and the Disposal(s). Accordingly, it is expected that no Shareholder is required to abstain from voting at the EGM.

The Company will despatch the circular containing, among others, (i) further details of the Disposal Mandate and the Disposal(s), and (ii) the notice of EGM, is expected to be despatched to the Shareholders on or before 21 March 2025.

There is no assurance that the Company will proceed with the Disposal(s) after obtaining the Disposal Mandate. Whether and when the Company will proceed with the Disposal(s) or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Disposal(s). The Shareholders and other public investors of the Company are therefore advised to exercise extreme caution when dealing in the Shares.

THE POSSIBLE DISPOSAL(S) AND THE DISPOSAL MANDATE

The Company has disposed of an aggregate of 7,570,000 SSG Shares during the 12-month period immediately preceding the date of this announcement, which constituted share transactions of the Company under the Listing Rules.

Given the volatility of the stock market, disposing of shares at the best possible price requires prompt disposal actions at the right timing and it would not be practicable to seek prior Shareholders' approval for each disposal of SSG Shares. To allow flexibility in effecting future disposals of SSG Shares at appropriate time(s) and price(s) so as to maximise the returns to the Group, the Company proposes to seek approval for the Disposal Mandate from the Shareholders at the EGM in advance to allow the Directors to dispose of 92,430,000 SSG Shares, representing approximately 2.4% of the total issued share capital of SSG as at the date of this announcement, during the Mandate Period.

As at the date of this announcement, the Company owned 92,430,000 SSG Shares, representing approximately 2.4% of the total issued share capital of SSG. Depending on the prevailing market conditions, the Company may dispose of 92,430,000 the SSG Shares from time to time during the Mandate Period.

The Disposal Mandate shall be conditional upon the approval by the Shareholders at the EGM.

Details of the Disposal Mandate

The Disposal Mandate to be sought from the Shareholders at the EGM will be on the following terms:

1. Mandate Period

The Disposal Mandate is for the Mandate Period, i.e. a period of 12 months from the date of passing of the relevant ordinary resolution at the EGM.

2. Maximum number of SSG Shares to be disposed

The Disposal Mandate shall authorise and empower the Board to sell all 92,430,000 SSG Shares held by the Group, representing approximately 2.4% of the total issued share capital of SSG as at the date of this announcement.

3. Scope of Authority

The relevant designated Directors shall be authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the Disposal(s), including but not limited to the number of batches of the Disposal, the number of SSG Shares to be sold in each Disposal and the timing of each Disposal.

4. Manner of Disposal(s)

The Disposal(s) shall be conducted (i) in the open market on the Stock Exchange to Independent Third Party(ies) through the trading system of the Stock Exchange; and/or (ii) in the off-market by directly entering into contract note(s) or through block trades by entering into placing agreements, to dispose of, in part or in whole, the Approved Sale Shares to third party purchaser(s), who and whose ultimate beneficial owner(s) are Independent Third Party(ies). As at the date of this announcement, there is no potential purchaser who has indicated its intention to purchase the SSG Shares from the Group.

The selling price of the SSG Shares shall be at the then market price(s) of SSG Shares at the relevant material time, provided that:

(i) each Disposal in the open market or in the off market shall be at market price of no more than 20% discount to the average closing price as quoted on the Stock Exchange for the five (5) consecutive trading days immediately before the date of each Disposal during the Mandate Period;

(ii) the Minimum Selling Price of the Disposals shall be no less than HK$0.17 per SSG Share;

(iii) the total aggregate gross selling proceeds for twelve-month period including each Disposal shall not be 75% or more of the market capitalisation of the Company, being the product of total number of Shares of the Company in issue and the average closing price per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately before the date of each Disposal; and

(iv) all of the percentage ratios under the Listing Rules for the disposal of SSG Shares are below 75%.

Based on the closing price of SSG Shares in the six months immediately before the date of this announcement, the highest closing price is HK$0.23 and the lowest closing price is HK$0.095, the average closing price is HK$0.168 and the standard deviation is HK$0.041. The highest daily trading volume of SSG Shares was 36,480,000 SSG Shares while the lowest daily trading volume of SSG Shares was nil SSG Shares and the average trading volume for the past six months immediately before the date of this announcement of SSG Shares was approximately 1,517,333 SSG Shares. The total number of 92,430,000 SSG Shares to be disposed under the Disposal Mandate represents approximately 60.9 times of the average daily trading volume of SSG

Shares for the past six months immediately before the date of this announcement. In order to make the SSG Shares held by the Group to be more attractive in block trade, the Directors consider that it is fair and reasonable for the Company to offer certain percentage of discount to the market price. Using the average closing price of SSG Shares of approximately HK$0.174 per SSG Shares for the five consecutive trading days immediately before the date of this announcement, if the SSG Shares are sold at 20% discount to the 5-day average closing price of SSG Shares, the proposed selling price is approximately HK$0.139 per SSG Share which is more or less to one standard deviation price of HK$0.133 per SSG Share. Hence, the Directors consider the proposed discount of 20% to the 5-day average closing price immediately before the date of each Disposal is fair and reasonable.

The Company further considers that the Minimum Selling Price will allow flexibility for the Directors to accommodate fluctuation in market conditions in the exercise of the Disposal Mandate and at the same time reflect the lowest acceptable price to dispose of the SSG Shares, and is thus fair and reasonable as far as the Company and the Shareholders are concerned.

5. Compliance

The Disposal(s) shall comply with relevant applicable laws and regulations, including any applicable trading regulations in Hong Kong. The Group will also report on the progress of the Disposal(s) in the relevant interim report as well as the annual report of the Company in compliance with the Listing Rules.

The Company will re-comply with the Listing Rules requirements and seek another shareholders' approval for the Disposals in the event that the Disposals cannot be completed within the Disposal Mandate.

6. The Minimum Selling Price

The Minimum Selling Price of HK$0.17 per SSG Share represents:

(a) a premium of approximately 9.0% to the closing price of HK$0.156 per SSG Share as quoted on the Stock Exchange on the Last Trading Day;

(b) A discount of approximately 2.3% to the average of the closing price of HK$0.174 per SSG Share as quoted on the Stock Exchange of the five trading before the date of the Announcement; and

(c) a premium of approximately 55.7% over net asset value per SSG Share of approximately HK$0.109 per SSG Share based on the unaudited net asset value attributable to the owners of SSG as at 30 June 2024 and 3,840,000,000 SSG Shares in issue as at the date of announcement.

The Minimum Selling Price was determined with reference to (i) the net asset value per SSG Share of approximately RMB0.109 as at 30 June 2024; (ii) the market performance of SSG Shares as quoted on the Stock Exchange for the past six months period immediately before the date of this announcement; and (iii) the prevailing market conditions and the uncertainty of global economy. The Directors consider that the Minimum Selling Price will allow flexibility for the Company to accommodate fluctuation in the market conditions in the exercise of the Disposal Mandate and at the same time reflect the lowest acceptable price to the Company to dispose of the SSG Shares, and is thus fair and reasonable as far as the Company and the Shareholders are concerned.

The Company will effect the Disposal(s) in the open market or in the off market which include either directly entering into contract note(s) with Independent Third Party purchaser(s) or through block trades by entering into placing agreements with a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance as placing agent. For any block trade, the terms and conditions of the sale would be negotiated on an arm's length basis. It is expected that the purchasers of the SSG Shares and their respective ultimate beneficial owners will be Independent Third Parties. In the event that any purchaser of the SSG Shares is a connected person of the Company, the Company will strictly comply with the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Assuming that all SSG Shares would have been disposed of, the Company will cease to hold any interest in SSG shares.

INFORMATION ON SSG

SSG is a company incorporated in Cayman Islands with limited liability which together with its subsidiaries are principally engaged in (i) property management; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) other businesses, including long-term rental apartment business. As at the date of this announcement, SSG is a company listed on the Main Board of the Stock Exchange (stock code: 9608).

The following information is extracted from the 2023 annual report and 2024 interim report of SSG for the two years ended 31 December 2023, and the six months ended 30 June 2023 and 2024:

	For the year ended 31 December		**For the six months ended 30 June**	
	2022	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	Audited	Audited	Unaudited	Unaudited
Revenue	268,581	262,362	136,180	117,602
Profit before taxation	40,332	17,123	6,785	5,021
Profit for the year attributable to owners of SSG	32,900	9,358	4,496	5,310

	As at 31 December	
	2022	**2023**
	RMB'000	*RMB'000*
	Audited	Audited
Net assets value attributable to the owners of SSG	342,371	384,316

Based on SSG's 2024 interim results, the SSG Group has an unaudited net asset value attributable to owners of the SSG of approximately RMB389.8 million as at 30 June 2024.

INFORMATION OF THE COMPANY

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in (i) digital video business; (ii) new energy vehicles business; (iii) cloud ecological big data business; (iv) properties development; (v) properties investment; and (vi) general trading.

REASONS FOR AND BENEFITS OF THE DISPOSAL MANDATE

As at the date of this announcement, the Company held approximately 2.4% of the total issued share capital of SSG. Having regard to the uncertainty in the future PRC and global economy and adjustment to the business strategy of the Group, the Board considers that the Disposal represents an opportunity to realise its investments and to allow the Group to reallocate the resources to the Group's other businesses.

Given the volatility of the stock market, disposing of shares at the best possible price requires prompt disposal actions at the right timing and it would not be practicable to seek prior Shareholders' approval for each disposal of SSG Shares. To allow flexibility in effecting future disposals of SSG Shares at appropriate time(s) and price(s) so as to maximise the returns to the Group, the Company proposes to seek approval for the Disposal Mandate and the Disposal(s) from the Shareholders at the EGM in advance to allow the Directors to dispose of SSG Shares during the Mandate Period.

The Disposal(s) will be made with reference to the market prices on open market. The Board is of the view that the Disposal Mandate and the Disposal(s) are on normal commercial terms, and that the terms are fair, reasonable and in the interests of the Company and its shareholders as a whole.

FINANCIAL IMPACT AND USE OF PROCEEDS

Based on the closing price of per SSG Share of HK$0.156 as at the date of this announcement, the value of the 92,430,000 SSG Shares was approximately HK$14,419,080.

For illustrating the financial effect of the Disposal(s), on the assumption that (i) all SSG Shares would have been disposed of at HK$0.156, being the closing price of each SSG Share as at the date of this announcement, the Group is expected to receive the proceeds of approximately HK$14.4 million and recognise an unaudited loss of approximately HK$6.75 million, which is calculated on the basis of the difference between the disposal prices (excluding stamp duty and related expenses) and carrying values of the 92,430,000 SSG Shares on the financial statements of the Group as at 31 December 2024; and (ii) all SSG Shares would have been disposed of at HK$0.17, being the Minimum Selling Price, the Group is expected to receive the proceeds of approximately HK$15.7 million and recognise an unaudited loss of approximately HK$5.45 million, which is calculated on the basis of the difference between the disposal prices (excluding stamp duty and related expenses) and carrying values of the 92,430,000 SSG Shares on the financial statements of the Group as at 31 December 2024.

For the avoidance of doubt, the actual gain or loss as a result of the Disposal(s) to be recorded by the Group will be subject to the actual selling prices of the SSG Shares and will be subject to final audit to be performed by the Company's auditors.

It is expected that net proceeds of the Disposals available to the Company will be applied for operating/working capital of the Group.

IMPLICATIONS UNDER THE LISTING RULES

Assuming that 92,430,000 SSG Shares held by the Group will have been disposed of within the Mandate Period at the Minimum Selling Price, one or more applicable percentage ratios of the Disposal(s), when aggregated with the Previous Disposals conducted in the previous 12-month period, will exceed 25% but be less than 75%, the Disposal(s) will constitute major transaction on the part of the Company under Chapter 14 of the Listing Rules and shall be subject to the Shareholders' approval at the EGM.

The Company will seek the approval of the Shareholders at the EGM for the Disposal Mandate and the Disposal(s) to allow the Company to dispose of all SSG Shares held by the Group during the Mandate Period. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Disposal Mandate and the Disposal(s). Accordingly, it is expected that no Shareholder is required to abstain from voting at the EGM.

The Company will despatch the circular containing, among others, (i) further details of the Disposal Mandate and the Disposal(s), and (ii) the notice of EGM on or before 21 March 2025.

There is no assurance that the Company will proceed with the Disposal(s) after obtaining the Disposal Mandate. Whether and when the Company will proceed with the Disposal(s) or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Disposal(s). The Shareholders and other public investors of the Company are therefore advised to exercise extreme caution when dealing in the Shares.

DEFINITIONS

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

"Approved Sale Shares"	up to 92,430,000 SSG Shares
"Board"	the board of Directors
"Company"	Jiu Rong Holdings Limited, a Company incorporated in the Cayman Islands with Limited Liability, the shares which are listed on the Main Board of the Stock Exchange (stock code: 2358)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"Disposal(s)"	the proposed disposal(s) of all 92,430,000 SSG Shares by the Group under the Disposal Mandate
"Disposal Mandate"	the general and conditional mandate to be granted by the Shareholders to the Company at the EGM to dispose of all 92,430,000 SSG Shares and no less than the Minimum Selling Price during the Mandate Period
"EGM"	the extraordinary general meeting of the Company to be held and convened to consider, among others, the Disposal Mandate and the Disposal(s) contemplated thereunder
"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 party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
"Last Trading Day"	5 March 2025, being the last full trading day of the Shares on the Stock Exchange prior to the release of the Announcement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"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
"Mandate Period"	the 12-month period from the date of passing of the relevant resolution(s) approving the Disposal Mandate and the Disposal(s) at the EGM
"Minimum Selling Price"	HK$0.17 per SSG Share
"Previous Disposals"	the disposal of SSG Shares by Company for the 12-month period immediately preceding the date of this announcement
"RMB"	Renminbi, the lawful currency of the PRC
"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)
"SSG"	Sundy Service Group Co. Ltd, a company incorporated in Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 9608)
"SSG Group"	SSG and its subsidiaries

"SSG Share(s)"	ordinary share(s) of US0.00001 each in the share capital of SSG
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	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, 6 March 2025

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