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AGILE GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3383)

DISCLOSEABLE TRANSACTION CAPITAL COMMITMENT IN THE JOINT VENTURE COMPANY

CAPITAL COMMITMENT IN THE JOINT VENTURE COMPANY

The Board is pleased to announce that on 19 July 2018, Panyu Agile, Weihai Lanchuang and Weihai Management Committee entered into the Agreement, pursuant to which Weihai Yaqi (an indirect wholly-owned subsidiary of Panyu Agile) has agreed to make capital contributions of approximately RMB4,550,000,000 to the Joint Venture Company for the purpose of investing and developing Phase 1 of Agile Sports and Recreational Featured Town Project located in Weihai Nanhai New District, Weihai City, Shandong Province, the PRC. The Joint Venture Company has an initial registered capital of RMB100,000,000 and owned as to 84.8% by Weihai Yaqi and as to 15.2% by Weihai Lanchuang.

LISTING RULES IMPLICATIONS AND OTHER INFORMATION

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the capital commitment of the Group for the Transaction is above 5% but less than 25%, the entering into of the Transaction under the Agreement constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 19 July 2018, Panyu Agile, Weihai Lanchuang and Weihai Management Committee entered into the Agreement, pursuant to which Weihai Yaqi (an indirect wholly-owned subsidiary of Panyu Agile) has agreed to make capital contributions of approximately RMB4,550,000,000 to the Joint Venture Company for the purpose of investing and developing Phase 1 (as defined below) of Agile Sports and Recreational Featured Town Project located in Weihai Nanhai New District, Weihai City, Shandong Province, the PRC, the material terms of which are summarized below.

THE AGREEMENT

Date:

19 July 2018

Parties:

- (a) 廣州番禺雅居樂房地產開發有限公司 (Guangzhou Panyu Agile Realty Development Co., Ltd.***)
- (b) 威海藍創建設投資有限公司 (Weihai Lanchuang Creation Design Investment Co., Ltd.***)
- (c) 威海南海新區管理委員會 (Weihai Nanhai District Management Committee***)

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Weihai Lanchuang and Weihai Management Committee and their ultimate beneficial owners are Independent Third Parties and are not connected persons of the Company.

Capital Commitments:

Pursuant to the Agreement, the initial registered capital of the Joint Venture Company is RMB100,000,000, and owned as to 84.8% by Weihai Yaqi and as to 15.2% by Weihai Lanchuang. Weihai Yaqi has agreed to make further capital contributions of approximately RMB4,550,000,000 to the Joint Venture Company.

Weihai Yaqi will make capital contributions to the Joint Venture Company in stages and shall be paid by cash in the following manner:-

- (a) RMB500,000,000 shall be paid within the first year;
- (b) RMB1,200,000,000 shall be paid within the second year;
- (c) RMB1,800,000,000 shall be paid within the third year;
- (d) RMB1,050,000,000 shall be paid within the fourth year; and
- (e) the definite terms of the above stage payment amounts and timeframe are subject to further negotiation between Weihai Yaqi and Weihai Lanchuang and might adjust depending on the development of the Lands.

The parties further agreed that Weihai Management Committee will be responsible for the utilities and infrastructure leading to the outer boundaries of the Lands and any removal and relocation within the boundaries of the Lands, whilst the Joint Venture Company will be responsible for the utilities and infrastructure within the boundaries of the Lands.

The registered capital and further capital contributions into the Joint Venture Company under the Agreement were agreed between the parties after arm's length negotiations with reference to, amongst other things, the development potential of the Lands. Weihai Yaqi's payment of the registered capital and further capital contributions to the Joint Venture Company was and will be financed by the internal resources of the Group.

Apart from the Joint Venture Company, Panyu Agile shall establish another wholly-owned subsidiary in Weihai City, Shandong Province, the PRC according to the Agreement, which shall mainly be responsible for the industry development of Agile Sports and Recreational Featured Town Project.

Information of Agile Sports and Recreational Featured Town Project

The Agreement sets out the intention of the parties to invest and develop Agile Sports and Recreational Featured Town Project, such project will be divided into phase 1 and phase 2. Phase 1 of the Project is consisted of the development of the Lands of eastern district, which is known as "Group of sports and city functions" and the Lands of western district, which is known as "Group of sports and travel events functions" ("**eastern district**" and "**western district**" collectively known as "**Phase 1**"), whereas phase 2 of Agile Sports and Recreational Featured Town Project, which is known as "Group of sports and creativity education" ("**Phase 2**") is consisted of the development of certain lands. The Agreement merely sets out the definite terms of the development of eastern district, the terms of the development of western district and Phase 2 will be subject to further negotiation between the parties. Once the terms of investment and development of the western district and Phase 2 are finalized and agreed, the parties will enter into a separate agreement to record the same.

Information of the Lands

The Lands are situated at west of Xiangshui River, south of Binhai Road, east of Keyan Road and north of Jiangnan City of Weihai Nanhai New District, Weihai City, Shandong Province, the PRC with a construction area of approximately 1,020 mu (or approximately 680,000 square metres) within which a construction area of approximately 600 mu (or approximately 400,000 square metres) is for residential use. The parties intend to commence all construction and development of the Lands within three years after the date of obtaining the land use rights of the Lands by the Joint Venture Company and complete the same within five years.

Management of the Joint Venture Company

The board of directors of the Joint Venture Company shall comprise of three directors, two of whom shall be nominated by Weihai Yaqi (including the chairman of the board of directors) and the remaining director shall be nominated by Weihai Lanchuang. The chairman of the board of directors shall also be the legal representative of the Joint Venture Company.

Distributions

After completion of sale of properties erected on the Lands (or the shareholders of the Joint Venture Company agree not to continue with the sale of properties erected on the Lands), the assets (at their then appraised value) and cash of the Joint Venture Company, after setting aside sufficient cash and assets to settle all external liabilities of the Joint Venture Company, if any, shall be distributed to its holders of equity interests in proportion to their percentage equity interest in accordance with the terms of the Agreement.

Exit mechanism

After completion of sale of properties erected on the Lands (or the shareholders of the Joint Venture Company agree not to continue with the sale of properties erected on the Lands) and the above distribution arrangements have been implemented, the Joint Venture Company may transfer any remaining self-owned properties erected on the Lands to an asset management company to be formed and held by Weihai Yaqi and Weihai Lanchuang in proportion to their respective actual amount invested in the Joint Venture Company.

Any remaining saleable properties erected on the Lands will then be distributed to Weihai Yaqi and Weihai Lanchuang in proportion to their respective actual amount invested in the Joint Venture Company.

INFORMATION OF THE JOINT VENTURE COMPANY

The Joint Venture Company is a company established in the PRC with limited liability. The principal businesses of the Joint Venture Company are real estate development and management; development of cultural tourism project; landscaping and municipal engineering construction. The Joint Venture Company is owned as to 84.8% and 15.2% by Weihai Yaqi and Weihai Lanchuang respectively, which shall be responsible for the investment and construction of Phase 1.

INFORMATION OF 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, hotel operations, property investment, environmental protection and construction.

INFORMATION OF PANYU AGILE

Panyu Agile is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. Panyu Agile is principally engaged in real estate development and management; property management; real estate advisory services; organising operational activities on self-owned properties; property leasing; site leasing (excluding warehouse leasing).

INFORMATION OF WEIHAI YAQI

Weihai Yaqi is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of Panyu Agile. It holds 84.8% equity interests in the Joint Venture Company and its principal businesses include the provisions of organising sports competitions and cultural and artistic exchange activities; sports activities (excluding high-risk sports events); undertaking exhibitions; conference services; fitness services; travel consulting services; leasing of sports equipment and sporting goods (which shall not engage in financial leasing); site rental; real estate sales, house leasing; import and export of goods and technology within its scope.

INFORMATION OF WEIHAI LANCHUANG

Weihai Lanchuang is a company established in the PRC with limited liability and is an Independent Third Party. It is principally engaged in external investment; management of investment project; development and management of real estate; development of cultural tourism project; landscaping; municipal engineering constructions and installment of pipeline equipment.

INFORMATION OF WEIHAI MANAGEMENT COMMITTEE

The Management Committee is an administrative unit of Weihai Municipal Committee and the government of Weihai City in the PRC and is principally engaged in the provisions of decision-making, development, service and administration within its administrative jurisdiction.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As a property developers principally engaged in the development of large-scale comprehensive property projects, the Board believes that investing and developing Agile Sports and Recreational Featured Town Project will enhance the Group's position in the PRC property market, enable the Group to generate income and provide capital appreciation potential to the Group.

Agile Sports and Recreational Featured Town Project will be developed into a comprehensive featured town with small town; Liu Guoliang table tennis school; Wang Nan national ball house; international five star tourism resort hotel; international educational institutions; sports theme park; class II general hospital; water sports base, which will be supported by commercial and residential facilities (the final project development shall be subject to government approval).

In view of the above, the Directors are of the view that the terms of the Transaction under the Agreement are fair and reasonable and is in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS AND OTHER INFORMATION

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the capital commitment of the Group for the Transaction is above 5% but less than 25%, the entering into of the Transaction under the Agreement constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agile Sports and Recreational Featured Town Project”	a project situated at Weihai Nanhai new district, Weihai City, Shandong Province, the PRC with a featured town of small town; Liu Guoliang table tennis school; Wang Nan national ball house; international five star tourism resort hotel; international educational institution; sports theme park; class II general hospital and water sports base which will be supported by commercial and residential facilities (the final project development shall be subject to government approval);
“Agreement”	an investment and construction agreement dated 19 July 2018 and entered into between Panyu Agile, Weihai Lanchuang and Weihai Management Committee;
“Board”	board of Directors;
“Company”	Agile Group Holdings Limited, an exempted company incorporated in the Cayman Islands on 14 July 2005, the Shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	director(s) of the Company;
“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 persons;
“Joint Venture Company”	威海雅藍投資開發有限公司 (Weihai Yalan Investments Development Co., Ltd.), a company established in the PRC with limited liability on 20 April 2018 and is owned as to 84.8% and 15.2% by Weihai Yaqi and Weihai Lanchuang respectively;
“Lands”	a piece of land situated at west of Xiangshui River, south of Binhai Road, east of Keyan Road and north of Jiangnan City of Weihai Nanhai New District, Weihai City, Shandong Province, the PRC with a construction usage area of approximately 1,020 mu (or approximately 680,000 square metres) within which a site area of approximately 600 mu (or approximately 400,000 square metres) is for residential use;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;
“Panyu Agile”	廣州番禺雅居樂房地產開發有限公司 (Guangzhou Panyu Agile Realty Development Co., Ltd.***), a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. Panyu Agile is principally engaged in real estate development and management; property management; real estate advisory services; organising operational activities on self-owned properties; property leasing; site leasing (excluding warehouse leasing);
“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;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the formation of the Joint Venture Company by Weihai Yaqi and Weihai Lanchuang for the investment and development of the Lands and the capital commitment of the Group as contemplated under the Agreement;
“Weihai Lanchuang”	威海藍創建設投資有限公司 (Weihai Lanchuang Creation Design Investment Co., Ltd.***), a company established in the PRC with limited liability and is an Independent Third Party. It holds 15.2% equity interests in the Joint Venture Company;
“Weihai Management Committee”	威海南海新區管理委員會 (Weihai Nanhai District Management Committee***), an administrative unit of Weihai Municipal Committee and the government of Weihai City in the PRC and is principally engaged in the provisions of decision-making, development, service and administration within its administrative jurisdiction;
“Weihai Yaqi”	威海雅齊體育產業發展有限公司 (Weihai Yaqi Sports Industry Development Co., Ltd.***), a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of Panyu Agile. It holds 84.8% equity interests in the Joint Venture Company; and

“%”

per cent.

On behalf of the Board
Agile Group Holdings Limited
Lam Ping Yuk
Company Secretary

Hong Kong, 19 July 2018

As at the date of this announcement, the Board comprises twelve members, being Mr. Chen Zhuo Lin (Chairman and President), Mr. Chan Cheuk Yin** (Vice Chairperson), Madam Luk Sin Fong, Fion** (Vice Chairperson), Mr. Chan Cheuk Hung*, Mr. Huang Fengchao*, Mr. Chen Zhongqi*, Mr. Chan Cheuk Hei**, Mr. Chan Cheuk Nam**, Dr. Cheng Hon Kwan#, Mr. Kwong Che Keung, Gordon#, Mr. Hui Chiu Chung, Stephen# and Mr. Wong Shiu Hoi, Peter# .*

* *Executive Directors*

** *Non-executive Directors*

Independent Non-executive Directors

*** *for translation and identification purposes only as there is no official English translation or name*