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**JIU RONG HOLDINGS LIMITED**

**久融控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2358)**

**DISCLOSEABLE TRANSACTION**

**ACQUISITION OF 46% EQUITY INTERESTS OF THE TARGET COMPANY**

**THE TRANSACTION**

The Board is pleased to announce that on 12 October 2018 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) has entered into the Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Capital, representing 46% equity interests of the Target Company, at the consideration of RMB142,600,000 (equivalent to approximately HK\$164,000,000).

**LISTING RULES IMPLICATIONS**

The entering into of the Agreement constitutes a discloseable transaction for the Company as the applicable percentage ratios (as defined under the Listing Rules) for the Transaction exceed 5% but less than 25% and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

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To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons. The principal business activities of the Vendor are properties development.

### **Assets to be acquired**

The Sale Capital, representing 46% equity interests of the Target Company.

### **The Consideration**

The Consideration of RMB142,600,000 (equivalent to approximately HK\$164,000,000) shall be financed by its internal resources, bank or other borrowings and settled as follows:

1. RMB20,444,400 has paid to the Vendor upon signing the Agreement;
2. RMB77,895,321 shall be paid to the Vendor upon Completion of the Agreement;
3. RMB30,000,000 shall be paid to the Vendor within one week after obtaining the construction permit of the Project; and
4. RMB14,260,279 shall be paid to the Vendor within 7 business days after nine months from the Completion of the Agreement.

### **Basis of the Consideration**

The Consideration was determined after arm's length negotiations between the parties to the Agreement with reference to net assets value of the Target Company based on the asset-based approach of approximately RMB311,694,000 as at 31 July 2018 (based on a valuation report issued by a professional valuer in the PRC) and taking into account factors including the development potential of the Target Company. The Directors consider that the Consideration and the terms and conditions of the Agreement are fair and reasonable.

### **Completion**

The date on which the registration authority completes the registration transfer procedures for the Sale Capital shall be regarded as the date of completion of the Agreement.

## INFORMATION ON THE TARGET COMPANY

The Target Company is a private enterprise established in the PRC with limited liability, and is principally engaged in the development of industrial park, commercial and residential properties in the PRC. As at the date of the Agreement, the entire registered and paid-up share capital of Target Company was owned as to 100% by the Vendor.

As at the date of the Agreement, the Project is currently an industrial park, commercial and residential properties under development located in Limin Avenue, Limin Development Zone, Harbin, the PRC with a site area of approximately 146,474 square metres.

### Financial information on the Target Company

The Target Company will become an associate of the Company upon completion of the Agreement. Accordingly, the financial results of the Target Company will not be consolidated to the financial statements of the Group.

Set out below is the unaudited financial information of the Target Company for the each of the two years ended 31 December 2017:

|                          | For the year ended<br>31 December 2016<br>RMB'000<br>(unaudited) | For the year ended<br>31 December 2017<br>RMB'000<br>(unaudited) |
|--------------------------|--|--|
| Profit/(loss) before tax | (32,397)   | (30,359)   |
| Profit/(loss) after tax  | (32,397)   | (30,359)   |

  

|                          | As at 31 December 2016<br>RMB'000<br>(unaudited) | As at 31 December 2017<br>RMB'000<br>(unaudited) |
|--------------------------|--|--|
| Total assets             | 286,504  | 158,778  |
| Total liabilities        | 252,621  | 159,033  |
| Net assets/(liabilities) | 33,883   | (255)  |

## REASONS FOR ENTERING INTO OF THE AGREEMENT

The Group is principally engaged in (1) manufacturing and sales of digital television (“TV”), high definition liquid crystal display TV and set-top box as well as provision of application of solutions regarding integration of telecommunication TV and internet in the digital video industry (“**Digital Video Business**”); (2) the construction, application and management of new energy vehicles and related products, charging facilities and intelligent management systems (“**New Energy Vehicles Business**”); (3) the application and management of cloud ecological big data industry (“**Cloud Ecological Big Data Business**”); (4) Properties Development and (5) Properties Investments.

The Directors believe that the acquisition would enable the Group to further expand its market presence in the industrial park and Properties Development business to cope with the future business expansion of the Group.

As a result, the Directors consider that the terms of the Agreement are fair and reasonable and is in the interests of the Company and its Shareholders as a whole.

## LISTING RULES IMPLICATIONS

The entering into of the Agreement constitutes a discloseable transaction for the Company as the applicable percentage ratios (as defined under the Listing Rules) for the Transaction exceed 5% but less than 25% and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

### Definition

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

|              |  |
|--------------|--|
| “Agreement”  | the agreement dated 12 October 2018 and entered into between the Purchaser and the Vendor in relation to the transfer of the Sale Capital, representing 46% equity interests of the Target Company |
| “associates” | has the meaning ascribed to this term under the Listing Rules  |
| “Board”      | the board of Directors   |
| “Company”    | Jiu Rong Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on Main Board of the Stock Exchange                       |

|                                |   |
|--------------------------------|---|
| “connected person”             | has the meaning ascribed to this term under the Listing Rules   |
| “Director(s)”                  | director(s) of the Company  |
| “Group”                        | the Company and its subsidiaries  |
| “Hong Kong”                    | Hong Kong Special Administrative Region of the People’s Republic of China   |
| “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 |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Project”                      | an industrial park, commercial and residential properties under development located in Limin Avenue, Limin Development Zone, Harbin, the PRC with a site area of approximately 146,474 square metres  |
| “Purchaser”                    | Hangzhou Changyun Lu Yun Property Limited* (杭州长运绿云置业有限公司), a company incorporated in the PRC with limited liability, an indirect wholly owned subsidiary of the Company   |
| “Sale Capital”                 | 46% equity interests of the Target Company  |
| “Share(s)”                     | ordinary share(s) in the share capital of the Company   |
| “Shareholder(s)”               | holder(s) of the Share(s)   |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited   |
| “Target Company”               | Heilongjiang Xin Luzhou Real Estate Development Limited* (黑龙江新绿洲房地产开发有限公司), a company incorporated in the PRC with limited liability  |
| “Vendor”                       | New Land Group Limited* (新洲集团有限公司), a company incorporated in the PRC with limited liability  |

|        |   |
|--------|---|
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “RMB”  | Renminbi, the lawful currency of the PRC            |
| “%”    | per cent  |

*In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of HK\$1.15 per RMB1.00. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or all.*

*\* For identification purpose only*

By order of the Board  
**Jiu Rong Holdings Limited**  
**Siu Chi Ming**  
*Executive Director*

Hong Kong, 12 October 2018

*As at the date of this announcement, Mr. Siu Chi Ming, Mr. Yin Jianwen and Ms. Wang Liping are the Executive Directors; Mr. Wang Ning, Mr. Yuan Qian Fei and Mr. Wu Yinong are the Independent Non-executive Directors.*