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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
SUBSCRIPTION OF SHARES OF THE TARGET COMPANY**

THE TRANSACTION

The Board is pleased to announce that on 8 July 2021 (after trading hours), the Subscriber (an indirect wholly-owned subsidiary of the Company) has entered into the Agreement with the Target Company, pursuant to which the Subscriber has agreed to subscribe 9,960,159 shares of the Target Company at the consideration of RMB99,999,996.36 (equivalent to approximately HK\$120,000,000).

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 Target Company and its ultimate beneficial owners are third parties independent of the Company and its connected persons. The principal business activities of the Target Company are securities dealings.

Assets to be acquired

The 9,960,159 shares of the Target Company.

The Consideration

The consideration of RMB99,999,996.36 (equivalent to approximately HK\$120,000,000) shall be financed by internal resources, bank or other borrowings of the Group and the Consideration has paid to the Target Company upon signing the Agreement.

Basis of the Consideration

The Consideration was determined by the Target Company with reference to the market price of the shares 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 procedures for the 9,960,159 shares of the Target Company shall be regarded as the date of completion of the Agreement. The 9,960,159 shares of the Target Company will subject to 6 months lock-up period from the date of completion.

INFORMATION OF THE TARGET COMPANY

The Target Company is an enterprise incorporated in the PRC with limited liability and the issued shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600095). The Target Company is principally engaged in securities dealings.

Financial information of the Target Company

The 9,960,159 shares of the Target Company will become an investment 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 audited financial information of the Target Company for the each of the two years ended 31 December 2020:

	For the year ended 31 December 2019	For the year ended 31 December 2020
	RMB'000	RMB'000
	(audited)	(audited)
Profit before tax	527,140	479,746
Profit after tax	406,760	357,134

	As at 31 December 2019	As at 31 December 2020
	RMB'000	RMB'000
	(audited)	(audited)
Total assets	28,365,226	31,668,785
Total liabilities	19,055,153	21,031,268
Net assets	9,310,073	10,637,517

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; (2) the construction, application and management of new energy vehicles and related products, charging facilities and intelligent management systems; (3) the application and management of cloud ecological big data industry; (4) Properties Development and (5) Properties Investments.

The Directors believe that the subscription of 9,960,159 shares of the Target Company would enable the Group to diversify its investments and the subscription price of RMB10.04 per share represents a discount of 8.14% to the market price of RMB10.93 as at 8 July 2021. 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.

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Definition

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

“Agreement”	the agreement dated 8 July 2021 and entered into between the Subscriber and the Target Company in relation to the subscription of 9,960,159 shares 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
“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
“Subscriber”	SOYEA Jiu Rong Technology Co. Ltd.* (数源久融技术有限公司), a company incorporated in the PRC with limited liability, an indirect wholly owned subsidiary of the Company
“Target Company”	XIANGCAI Co., Ltd. * (湘財股份有限公司), a company incorporated in the PRC with limited liability and the issued shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600095)
“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\$1.20 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, 8 July 2021

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