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## **HUIJING HOLDINGS COMPANY LIMITED**

### **滙景控股有限公司**

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

**(Stock Code: 9968)**

## **DISCLOSEABLE TRANSACTION ACQUISITION OF 51% OF THE EQUITY INTEREST IN THE TARGET COMPANY**

### **INTRODUCTION**

The Board announces that on 30 April 2021 (after trading hours of the Stock Exchange), PRC Holdco, the Vendor and the Target Company entered into the Agreement, pursuant to which the PRC Holdco agreed to acquire and the Vendor agreed to sell 51% of the equity interest in the Target Company at the consideration of RMB51 million.

As at the date of this announcement, PRC Holdco is an indirect wholly-owned subsidiary of the Company. Subject to fulfillment of the conditions as set out in the section headed “Payment Terms”, and upon completion of the Acquisition, the Target Company will be held as to 51% and 49% by PRC Holdco and the Vendor, respectively and the Target Company will become a subsidiary of the Company and its financial results, assets, liabilities and cash flows will be consolidated in the Company’s consolidated financial statements.

### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Agreement exceed 5% but none of them exceed 25%, the transaction contemplated under the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements but is exempt from the shareholders’ approval requirement under Chapter 14 of the Listing Rules.

## THE ACQUISITION

The Board announces that on 30 April 2021 (after trading hours of the Stock Exchange), PRC Holdco, the Vendor and the Target Company entered into the Agreement, pursuant to which the PRC Holdco agreed to acquire and the Vendor agreed to sell 51% of the equity interest in the Target Company at the consideration of RMB51 million (“**Acquisition**”).

As at the date of this announcement, PRC Holdco is an indirect wholly-owned subsidiary of the Company. Subject to fulfillment of the conditions as set out in the section headed “Payment Terms”, and upon completion of the Acquisition, the Target Company will be held as to 51% and 49% by PRC Holdco and the Vendor, respectively, and the Target Company will become a subsidiary of the Company and its financial results, assets, liabilities and cash flows will be consolidated in the Company’s consolidated financial statements.

## THE AGREEMENT

The major terms of the Agreement are set out as follows:

Date: 30 April 2021 (after trading hours of the Stock Exchange)

Parties: (i) the Vendor;  
(ii) PRC Holdco;  
(iii) the Target Company.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and the ultimate beneficial owner of the Vendor are third parties independent of and not connected with the Company and its connected persons.

Consideration: The consideration of the Acquisition is RMB51 million, which will be financed by the Group’s internal resources, and shall be settled in accordance with the following manners and conditions:

Payment Terms: Upon the satisfaction of the following conditions, PRC Holdco shall pay RMB51 million to a designated account of the Vendor. The Consideration of equity interest transfer shall be paid in two instalments, the first instalment of which amounting to RMB16 million shall be paid within three months following conclusion of the Agreement, while the second instalment for the equity transfer amounting to RMB35 million shall be settled within six months following conclusion of the Agreement:

1. PRC Holdco has acquired the 51% equity interest of the Target Company;
2. Company chops of the Target Company have been transferred to PRC Holdco and the PRC Holdco has taken over the operational management rights of the Target Project;
3. No breach of the Agreement by each of the Vendor and the Target Company.

## **Basis of the Consideration**

The Consideration under the Agreement of RMB51 million payable by PRC Holdco to the Vendor was arrived at after arm's length negotiations between the parties after having considered a number of factors including but not limited to the net assets value of the Target Company as determined by an independent valuer based on an assets-based approach, the development status of the Target Project, the registered capital of the Target Company, the forecasted profit generated from the Target Project, and the synergies brought by the Acquisition of the Target Company to the Group's business strategy.

## **Completion**

Completion of the Agreement shall take place when PRC Holdco has completed the acquisition of the 51% equity interest of the Target Company with completion of the business registration of the Target Company according to relevant PRC laws reflecting the Acquisition, and the Consideration has been fully paid.

Subject to fulfillment of the conditions as set out in the section headed "Payment Terms", and upon completion of the Acquisition, the Target Company will become an indirect subsidiary of the Company, and the financial results of the Target Company will be consolidated into the financial results of the Group.

## **INFORMATION OF THE PARTIES**

### **The Company and the Group**

The principal activity of the Company is investment holding. The Group is an established integrated residential and commercial property developer in the PRC, maintaining foothold in the Guangdong-Hong Kong-Macau Greater Bay Area and focusing on the development of Yangtze River Delta Urban Cluster and the Mid-Stream Urban Cluster.

### **The Vendor**

Changzhou Yuexing International Domestic Square Company Limited\* (常州月星國際家居廣場有限公司) ("**Changzhou Yuexing**") is a company established in Changzhou of the PRC with limited liability, which is principally engaged in property development, market facilities leasing, market management services and etc. Changzhou Yuexing is a subsidiary of Shanghai Yuexing Worldwide Home Decoration Exhibition Centre Company Limited\* (上海月星環球家飾博覽中心有限公司), a company incorporated in the PRC whose ultimate beneficial owner is Mr Ding.

## The Target Company

The Target Company was established on 13 July 2017, and it is a property developer located in Fuyang, Anhui Province, the PRC, which is principally engaged in the businesses of property development and sale, property leasing, construction design, decoration and engineering. As at the date of this announcement and before the completion of transactions contemplated under the Agreement, it is a direct wholly-owned subsidiary of the Vendor. The Target Company holds the land use right of the Target Project, which is located in Fuyang, Anhui Province, the PRC with a total site area of approximately 114,879 square meters and a total GFA of approximately 345,414 square meters.

Upon completion of the transactions contemplated under the Agreement, the board of directors of the Target Company shall comprise 5 members, of which 2 shall be appointed by the Vendor while 3 shall be appointed by PRC Holdco. The resolution of the board of directors of the Target Company shall be passed by a 3 out of 5 votes of the directors at a meeting of the board of directors. Upon completion of the Acquisition, the Target Company shall become an indirect subsidiary of the Company.

The following table sets out the unaudited financial information of the Target Company for the two years ended 31 December 2019 and 31 December 2020, respectively.

	<b>For the year ended 31 December 2020</b> <i>(RMB '000)</i>	<b>For the year ended 31 December 2019</b> <i>(RMB '000)</i>
Net loss before tax	67,981	35,261
Net loss after tax	69,209	38,162

The unaudited total assets and net liabilities of the Target Company as at 31 December 2020 were approximately RMB1,103 million and RMB143 million respectively.

## The Target Project

The Target Project is located on a land parcel situated at the south of Renmin Road and east of Nanjing Road, Yingzhou District, Fuyang, Anhui Province, PRC. The Target Project comprises residential units, apartments and retail shops. The site area is approximately 114,879 square meters with a total GFA of approximately 345,414 square meters.

Set out below are the further details of the Target Project:

Development status: As at the date of this announcement, the Target Project is under construction.

Expected completion date: The development of the Target Project is expected to be completed by the end of 2022.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is primarily engaged in property development and property investment in the PRC.

In view that (i) the Target Project is located in Fuyang where there is greater market potential, the Directors believe that the Acquisition of the Target Company will enhance the position and market presence in the Yangtze River Delta Urban Cluster, which is in line with the Group's development strategy; (ii) the Acquisition will increase the land bank of the Group; (iii) the Acquisition will enable the Group to consolidate the financial results of the Target Company to the Group's financial results and is expected to bring a positive return and an increase in the Group's profit in the event that the Target Project is completed and delivered in the future; and (iv) the cooperation with the Vendor is expected to enable the Company to obtain other property development opportunities in Fuyang or Anhui Province, including a potential opportunity with a preliminary intention of cooperation on a property development project located in Fuyang, with a total site area of approximately 1.14 million square meters, the Company considers that the Acquisition represents a good investment opportunity to continue the development strategies of the Group in the PRC and anticipates that it will contribute good revenue stream to the Group in the coming years.

The terms of the Agreement were determined after arm's length negotiations between the Vendor and PRC Holdco. Having considered the reasons for and benefits of entering into the Agreement as mentioned above, the Directors are of the view that the terms of the Agreement are fair and reasonable and the entering into the Agreement is in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Agreement exceed 5% but none of them exceed 25%, the transaction contemplated under the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Agreement”	the equity interest transfer agreement dated 30 April 2021 (after trading hours of the Stock Exchange) amongst PRC Holdco, the Vendor and the Target Company;
“Board”	the board of the Directors;
“Company”	Huijing Holdings Company Limited (滙景控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 9 January 2019, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 9968);
“Mr Ding”	Mr Ding Zuohong (丁佐宏先生), the ultimate beneficial owner of Shanghai Yuexing Worldwide Home Decoration Exhibition Centre Company Limited* (上海月星環球家飾博覽中心有限公司);
“Director(s)”	the director(s) of the Company;
“GFA”	gross floor area;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“PRC Holdco”	Hefei Changheng Real Estate Development Company Limited* (合肥昌恒房地產開發有限公司), a company established in the PRC with limited liability;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	the shareholders of the Company;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Fuyang City Xinggang Properties Company Limited* (阜陽市星港置業有限公司), a company established in the PRC with limited liability;
“Target Project”	the property project located in Fuyang, Anhui Province, the PRC with a total site area of approximately 114,879 square meters;
“Vendor”	Changzhou Yuexing International Domestic Square Company Limited* (常州月星國際家居廣場有限公司), a company established in the PRC with limited liability; and
“%”	per cent.

By order of the Board  
**Huijing Holdings Company Limited**  
**Mr Lun Zhao Ming**  
*Executive Director*

Hong Kong, 30 April 2021

*As at the date of this announcement, the Board comprises Mr Lun Zhao Ming, Mr Lau Kam Kwok Dickson and Mr Lu Peijun as executive Directors, Mr Lun Ruixiang as a non-executive Director, and Ms Chiu Lai Kuen Susanna, Mr Hung Wan Shun Stephen and Ms Lin Yanna as independent non-executive Directors.*

\* *For identification purpose only*