

TARGET

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AGILE GROUP HOLDINGS LTD: IS IT HIGH TIME FOR A MANAGERIAL CHANGE ?

On or about Thursday, June 30, 2022, Senior Management of Agile Group Holdings Ltd (雅居樂集團控股有限公司) (Code: 3383, Main Board, The Stock Exchange of Hongkong Ltd) published and disseminated a public announcement in the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)** to the effect that the Company had raised a total of **renminbi (RMB)* 764,000,000.00** from the sales of equities, formerly held by the Company.

The reasons for the sales of the Company's equities were given at Pages Five and Six of the announcement, headlined: ***'DISCLOSEABLE TRANSACTION IN RELATION TO SALE OF EQUITY INTEREST AND SHAREHOLDER'S LOAN'***.

Under the subheading, ***'REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT'***, one was informed:

'Having regard to the prevailing market conditions as well as the increasingly challenging operating environment of the property industry in the PRC, and in light of the underperformance of sales by the Project Company¹ and the continuing rising costs of the Project², the Directors consider that the entering into of the Framework Agreement would provide immediate cash inflow to the Group after the disposal of its interests in the Project Company, and thereby enhance the liquidity of the Group and facilitate the Group to meet its working capital requirements for future business development.

'In view of the above, the Directors are of the view that the terms of the Framework Agreement are fair and reasonable and entering into of the same by the Group is in the interests of the Company and the Shareholders as a whole.'

At Page One of the public announcement, the following intelligence was presented:

‘... It is intended that the net proceeds from the sale of the Equity Interest³ and the Shareholder’s Loan will be used for general working capital of the Group and its future business development.’

Notes:

¹ **Project Company**: Chongqing Yajin Real Estate Development Company Ltd (重慶雅錦房地產開發有限公司), a company, incorporated in the PRC (being separate and distinct from the HKSAR of the PRC) with limited liability on September 22, 2017, and is, as at the date of this announcement, a 100-percent controlled, indirect wholly owned subsidiary of the Company;

² **Project**: The development and construction of a residential and commercial complex by the Project Company, situated at the four blocks of land at Liangjiang New District, Chongqing City, the PRC, comprising of plot A21-4-2/06, plot A21-4-1/06, plot A22-1/06 and plot A22-2/06, with the total land use right, covering 138,393.90 square meters;

³ **Equity Interest**: (i) the 0.01% and 62.49% equity interest in the Project Company to be sold by Shanghai Binhu – Shanghai Binhu Tourism Development Company Ltd (上海濱湖旅遊發展有限公司), a company, established in the PRC with limited liability on March 30, 1994, and is a 100-percent controlled, indirect wholly owned subsidiary of the Company – to the Purchaser⁴ and the Purchaser’s Nominated Entity, respectively; and (ii) the 37.50% equity interest in the Project Company to be sold by Sichuan Agile⁵ to the Purchaser’s Nominated Entity following the completion of the Capital Injection;

⁴ **Purchaser**: Shoujin Xinchuang (Beijing) Real Estate Development Company Ltd (首金新創[北京]置業發展有限公司), a company, incorporated in the PRC with limited liability on January 11, 2022; and,

⁵ **Sichuan Agile**: Sichuan Agile Real Estate Development Company Ltd (四川雅居樂房地產開發有限公司), a company, incorporated in the PRC with limited liability on July 12, 2006, and is a 100-percent controlled, indirect wholly owned subsidiary of the Company.

* RMB is the lawful currency of the People’s Republic of China.

At Page Seven of the June 30 public announcement, information was presented as to the purchaser of the equities, formerly owned by corporate entities of Agile Group Holdings Ltd:

*‘The Purchaser is a company established in the PRC with limited liability on 11 January 2022. The Purchaser is an indirect wholly owned subsidiary of 北京首創城市發展集團有限公司 (Beijing Shouchuang Urban Development Group Co., Ltd) (“**Beijing Shouchuang**”), which is a company incorporated in the PRC with limited liability and which is one of the leading large-scale real estate integrated operators in the PRC.*

Beijing Shouchuang is in turn wholly owned by 北京首都創業集團有限公司 (Beijing Capital Venture Group Co., Ltd.), a company incorporated in the PRC with limited liability which is in turn directly owned by The People's Government of Beijing Municipality (北京市人民政府) and directly supervised by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality (北京市人民政府國有資產監督管理委員會). The Purchaser's principal business includes real estate development, and provision of advisory services in relation to corporate management and social economics. Pursuant to the terms of the Framework Agreement, it will be acquiring 0.01% Equity Interest from Shanghai Binhu.'

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