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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 THE ENTIRE SHARE CAPITAL OF THE TARGET COMPANY

THE TRANSACTION

The Board is pleased to announce that on 29 August 2017 (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 the entire registered and paid-up share capital of the Target Company, at the consideration of RMB139,000,000 (equivalent to approximately HK\$164,020,000).

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 Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons. The principal business activities of the Vendor are public transportation services.

Assets to be acquired

The Sale Capital, representing the entire registered and paid-up share capital of the Target Company.

The Consideration

The consideration of RMB139,000,000 (equivalent to approximately HK\$164,020,000) shall be payable within ten business days after the entering into of the Agreement. The Group shall finance the Consideration by its internal resources, bank or other borrowings and/or the net proceeds from the placing of new Shares completed on 17 March 2017.

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the parties to the Agreement with reference to market value of the Project, taking into account factors including the development potential and the existing status of the Project. 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 business development of cloud data computing industrial park 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 under development located in Hangzhou West Lake District Yunqi Cloud-Town (云栖小镇) with a site area of 25,259 square metres and planned gross floor area of approximately 72,277 square metres (comprising above ground gross floor area of 50,448 square metres and below ground gross floor area of 21,829 square metres).

Financial information on the Target Company

The Target Company will become an indirect wholly-owned subsidiary of the Company upon completion of the Agreement. Accordingly, the financial results of the Target Company will be consolidated as to 100% 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 2016:

	For the year ended 31 December 2015 RMB'000 (unaudited)	For the year ended 31 December 2016 RMB'000 (unaudited)
Profit/(loss) before tax	(5,644)	(1,241)
Profit/(loss) after tax	(5,644)	(1,241)

	As at 31 December 2015 RMB'000 (unaudited)	As at 31 December 2016 RMB'000 (unaudited)
Total assets	223,487	226,236
Total liabilities	203,419	207,409
Net assets	20,068	18,827

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"); and (3) the application and management of cloud ecological big data industry ("Cloud Ecological Big Data Business").

The Directors believe that the Project with approximately 22,000 square metres of carpark area will be able to provide around 600 new electric vehicles chargers of either alternating current chargers of 40KW/H or direct current chargers of 60KW/H to be constructed by the Group (currently the Group has already established 10 electric vehicles charging facilities stations in Hangzhou with 2,444 alternating current chargers of 40KW/H and 60 direct current chargers of 60KW/H in operation), which would enable the Group to further expand its market presence in the New Energy Vehicles Business and to cope with the future business expansion of the Group.

As disclosed in the announcement of the Company of 29 June 2017, the Group will co-operate with the local authorities of West Lake District and Yunqi Cloud Town as well as famous cloud computing enterprises such as Aliyun (阿里云) and West Lake Electric (西湖电子) to establish big data industrial park and hence to expand the cloud data business market of the Group. The Project will be the first big data industrial park of the Group. It is expected that the park will establish a "Cloud Ecological System" to build a new generation of information technology (such as AR/VR, face recognition, digital maps, etc.) and communication technology, such as Internet of Things, big data, cloud computing, (Such as 5G, LTE-V, NB-IOT, etc.) throughout the cloud industry park in all aspects, to create the country's first all-intelligent perception, interoperability cloud ecological park. Moreover, the Company expects the value of the industrial park will appreciate in the long run after taken into account the strong market potential that rapid growth of IT companies being established in Yunqi Cloud-Town (云栖小镇) which drives the demand of big data industrial park and related properties thereof. 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 29 August 2017 and entered into between the Purchaser and the Vendor in relation to the transfer of the Sale Capital, representing the entire registered and paid-up share capital 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 under development located in Hangzhou West Lake District Yunqi Cloud-Town (云栖小鎮) with a site area of 25,259 square metres and planned gross floor area of approximately 72,277 square metres (comprising above ground gross floor area of 50,448 square metres and below ground gross floor area of 21,829 square metres)
“Purchaser”	Hangzhou Yunqi Cloud Data Limited* (杭州云栖云数据有限公司), a company incorporated in the People’s Republic of China, an indirect wholly owned subsidiary of the 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”	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
“Vendor”	Hangzhou Changyun Transportation Group Company Limited* (杭州长运运输集团有限公司), 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\$1.18 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, 29 August 2017

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.