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TEMPUS HOLDINGS LIMITED

騰邦控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 06880)

**DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION
ACQUISITION OF 17% EQUITY INTEREST IN
SHENZHEN TEMPUS VALUE CHAIN CO., LTD.***

THE ACQUISITION

The Board announces that on 12 October 2018 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to acquire, the Equity Interest i.e. 17% equity interest held by the Vendor in the Target Company for a cash consideration of HK\$17,000,000. The Acquisition is subject to the satisfaction of the conditions as set out in the paragraph headed “Conditions precedent” below.

IMPLICATIONS UNDER THE LISTING RULES

As the Vendor is an associate of Mr. Zhong Baisheng, the chairman of the Board and non-executive Director, the Vendor is a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company. Pursuant to Rule 14A.76(2) of the Listing Rules, as each of the applicable percentage ratios (other than the profits ratio) for the Acquisition exceeds 0.1% but is less than 5%, such connected transaction is subject to the reporting and announcement requirements but is exempted from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

As the profits ratio for the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

Reference is made to the announcements of the Company dated 26 May 2017 and 30 November 2017 in relation to the Previous Acquisition. One or more of the applicable percentage ratios for the Previous Acquisition and the Acquisition on an aggregated basis exceed 25% but are less than 100%. However, the classification of the Acquisition on an aggregated basis would be the same as the Previous Acquisition, and the Company had already complied with the reporting, announcement, circular and independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules, therefore, the Acquisition is not aggregated with the Previous Acquisition and shall be a discloseable transaction and connected transaction of the Company.

I. INTRODUCTION

The Board announces that on 12 October 2018 (after trading hours), further to the Previous Acquisition, the Company entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to acquire, the Equity Interest i.e. 17% equity interest held by the Vendor in the Target Company for a cash consideration of HK\$17,000,000.

II. THE SALE AND PURCHASE AGREEMENT

Date:

12 October 2018 (after trading hours)

Parties:

1. The Company (as purchaser); and
2. Shenzhen Tengbang Value Chain Equity Investment Partnership Corporation (limited partnership)* (深圳騰邦價值鏈股權投資合夥企業(有限合夥)) (the “Vendor”) (as vendor).

Equity interest to be acquired:

The Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Equity Interest i.e. 17% equity interest held by the Vendor in the Target Company, subject to the terms and conditions of the Sale and Purchase Agreement.

Further details of the Target Company are set out in the sub-paragraph headed “Information on the Target Company” below.

Consideration:

The total consideration for the Acquisition of HK\$17,000,000 payable by the Company to the Vendor shall be settled by cash within three business days from the Completion Date.

The consideration will be satisfied by internal resources using cash.

Basis for determination of the consideration:

The consideration for the Acquisition was determined based on arm's length negotiations between the Company and the Vendor with reference to the audited consolidated financial statements of the Target Group for the year ended 31 December 2017, the unaudited consolidated financial statements of the Target Group for the six months ended 30 June 2018, the net assets values of the Target Group as at 31 December 2017 and 30 June 2018 and the valuation and price-earnings ratio adopted in the Previous Acquisition (see details set out in the Company's circular dated 23 June 2017).

Conditions precedent:

Completion is subject to and conditional upon the following conditions precedent having been fulfilled to the Company's satisfaction or, save and except for conditions (4) and (5) below, waived by the Company:

- (1) all representations and warranties given by the Vendor pursuant to the Sale and Purchase Agreement remaining true, accurate and complete from the date of the Sale and Purchase Agreement up to and including the Completion Date;
- (2) no events or circumstances which have or may have a material adverse effect on the business, financial condition or prospects of the Target Company having occurred;
- (3) the partner's meeting of the Vendor having approved the Acquisition in accordance with its partnership agreement and applicable laws and regulations;
- (4) the Company having obtained the approval of the Acquisition and the terms of the Sale and Purchase Agreement by its Board in accordance with the Listing Rules and its articles of association; and
- (5) transfer of the Equity Interest does not violate any relevant PRC laws and regulations and is not regarded as in violation of any laws and regulations by the relevant PRC government authorities.

Save and except for conditions (4) and (5), all of the above conditions can be waived by the Company, while the Vendor is not entitled to waive any of the conditions. If the conditions are not satisfied or waived (where applicable) and the Completion does not take place on or before the Long Stop Date, the Company is entitled to terminate the Sale and Purchase Agreement by written notice to the Vendor within seven (7) days after the Long Stop Date. As at the date of this announcement, conditions (3) and (4) have been fulfilled.

Completion:

Completion is expected to take place on the Completion Date i.e. within five business days from the date of satisfaction of all the conditions precedent or waiver thereof (where applicable), or such other day as the parties to the Sale and Purchase Agreement may agree in writing.

Upon Completion, the Company will hold 78.75% of the total equity interest in the Target Company. The Target Company will continue to be consolidated as a subsidiary of the Company.

III. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Target Group's business has been steadily growing since 61.75% of its equity interest was acquired by the Company last year. The Acquisition enables higher percentage of controlling equity of the Company on the Target Group, facilitating a higher profit attributable to owners of the Company and earnings per share.

The Directors (including the independent non-executive Directors) consider the terms of the Sale and Purchase Agreement are (i) fair and reasonable, (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Company and (iii) in the interests of the Company and its Shareholders as a whole.

Mr. Zhong Baisheng, who is a general partner of the Vendor and owns 99.99999% of interest in the Vendor, has a material interest in the Acquisition. He has abstained from voting from the Board resolutions for considering and approving the Acquisition.

IV. GENERAL INFORMATION

Information on the Company

The Company is an investment holding company. The Group is principally engaged in sales and research and development of health and wellness products, cross-border trading and logistics business.

Information on the Vendor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as of the date of this announcement, the Vendor is a limited partnership incorporated in the PRC and is owned by Mr. Zhong Baisheng, the chairman of the Board and non-executive Director, as to 99.99999% of interest. Mr. Zhong Baisheng is also a general partner of the Vendor. The remaining 0.00001% of the interest in the Vendor is held by a third party independent of the Company and its connected persons.

The Vendor acquired 15% of equity interest (RMB7,500,000 of registered capital of the Target Company) in the Target Company from Tempus Logistics Group Holdings Ltd.* (騰邦物流集團股份有限公司), a controlling shareholder of the Company, on 4 May 2016 at RMB9,817,500. The total registered capital of the Target Company was increased from RMB50,000,000 to RMB52,631,579. As such, the Vendor's shareholding in the Target Company was reduced to 14.25%. The Vendor further acquired 4.75% of equity interest (RMB2,500,000 of registered capital of the Target Company) in the Target Company from Mr. Sun Zhiping, a third party independent of the Company and its connected persons, on 26 April 2018 at RMB4,144,732.30.

Information on the Target Company

The Target Company is a joint stock limited company established in PRC and is principally engaged in providing supply chain solution including third-party (or contract) logistics and storage, management consulting and other value-added services. It provides third party logistics services to manufacturers of tyres and automobile spare parts, and has extended its services to automobile after-market and other fields. Its third-party (or contract) logistics and storage business mainly involve (i) logistics and transport between major cities in PRC; (ii) intra-city logistics and transport; and (iii) special storage services.

As of the date of this announcement, the Target Company was held as to (i) 61.75% by the Company; (ii) 19% by the Vendor; (iii) 9.5% by Ms. Duan Naiqi; (iv) 5% by Perfect Smart Trading Limited, which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is ultimately owned by a third party independent of the Company and its connected persons; and (v) 4.75% by an individual, who is a director of the Target Company.

Mr. Zhong Baisheng is the chairman of the Board and a non-executive Director. Ms. Duan Naiqi is deemed to be a controlling shareholder of the Company. Mr. Li Dongming, an executive Director, is a director of Target Company. Mr. Huang Jingkai, an executive Director, is the legal representative and the chairman of the board of directors of the Target Company.

The Target Company was established by the Vendor and its business partners in 2005. The registered capital of the Target Company is RMB52,631,579 as at the date of this announcement.

Financial information of the Target Company

The financial information for the two financial years ended 31 December 2016 and 31 December 2017 (which were audited and prepared in accordance with the Hong Kong Generally Accepted Accounting Principles) and the six months ended 30 June 2018 (which were unaudited and prepared in accordance with the Hong Kong Generally Accepted Accounting Principles) are set out below:

	For the year ended 31 December 2016	For the year ended 31 December 2017	For the six months ended 30 June 2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
	<i>(approximately)</i>	<i>(approximately)</i>	<i>(approximately)</i>
Revenue	160,168	205,712	109,803
Profit before taxation	18,040	19,212	6,913
Profit after taxation	13,306	14,644	5,499
Net asset value	77,655	90,670	96,169

V. IMPLICATIONS UNDER THE LISTING RULES

As the Vendor is an associate of Mr. Zhong Baisheng, the chairman of the Board and non-executive Director, the Vendor is a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company. Pursuant to Rule 14A.76(2) of the Listing Rules, as each of the applicable percentage ratios (other than the profits ratio) for the Acquisition exceeds 0.1% but is less than 5%, such connected transaction is subject to the reporting and announcement requirements but is exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the profits ratio for the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

Reference is made to the announcements of the Company dated 26 May 2017 and 30 November 2017 in relation to the Previous Acquisition. One or more of the applicable percentage ratios for the Previous Acquisition and the Acquisition on an aggregated basis exceed 25% but are less than 100%. However, the classification of the Acquisition on an aggregated basis would be the same as the Previous Acquisition, and the Company had already complied with the reporting, announcement, circular and independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules, therefore, the Acquisition is not aggregated with the Previous Acquisition and shall be a discloseable transaction and connected transaction of the Company.

VI. DEFINITIONS

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

“Acquisition”	the proposed acquisition by the Company of the Equity Interest held by the Vendor in the Target Company pursuant to the Sale and Purchase Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company from time to time
“Company”	Tempus Holdings Limited (騰邦控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date on which Completion takes place, which shall be within five business day (or such other day as the parties to the Sale and Purchase Agreement may agree in writing) after the fulfillment of all the conditions precedent (or, if applicable, waiver thereof except for conditions precedent which cannot be waived as specified in the paragraph headed “Conditions precedent” above) of the Sale and Purchase Agreement in accordance with the terms thereof
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Interest”	the 17% equity interest held by the Vendor in the Target Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	thirty (30) days from the date of the Sale and Purchase Agreement
“PRC”	the People’s Republic of China, which for the sole purpose of this announcement excludes Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
“Previous Acquisition”	the previous acquisition of 61.75% of equity interest in the Target Company pursuant to the sale and purchase agreement between the Company and Tempus Logistics Group Holdings Ltd.* (騰邦物流集團股份有限公司) dated 26 May 2017, which completed on 30 November 2017
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 12 October 2018 entered into between the Vendor and the Company in relation to the Acquisition
“Shareholder(s)”	holder(s) of the ordinary shares of US\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Shenzhen Tempus Value Chain Co., Ltd.* (深圳市騰邦價值鏈股份有限公司), a joint stock limited company established in the PRC and a subsidiary of the Company, further details of which are set out in the paragraph headed “Information on the Target Company” above
“Target Group”	the Target Company and its subsidiaries
“Vendor”	Shenzhen Tengbang Value Chain Equity Investment Partnership Corporation (limited partnership)* (深圳騰邦價值鏈股權投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC and a substantial shareholder of the Target Company holding 19% of the total equity interest in the Target Company as of the date of this announcement
“%”	per cent

By Order of the Board
Tempus Holdings Limited
Zhong Baisheng
Chairman

Hong Kong, 12 October 2018

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Li Dongming, Mr. Huang Jingkai and Mr. Yip Chee Lai, Charlie; two non-executive Directors, namely Mr. Zhong Baisheng and Ms. Zhang Yan; and three independent non-executive Directors, namely Mr. Han Biao, Mr. Wong Lit Chor, Alexis and Mr. Li Qi.

** for identification purposes only*