

are independent Third Parties.

**Assets to be acquired**

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

The Sale Share represents the entire issued share capital of the Target Company. The Loan represents the entire amount of loans due from the Target Company to the Target Company as at the Completion.



## **Consideration**

The consideration for the Sale Share and the Sale Loan is HK\$250 million, which shall be satisfied by cash by the Purchaser to the Vendor or its nominee(s) at Completion.

The consideration was reached based on arm's length negotiation between the Company and the Vendor by reference to (i) the business prospects of the Target Group; and (ii) the Profit Guarantee mechanism as described in the paragraph headed "Profit Guarantee" in this announcement. The consideration will be satisfied by the Group's internal resources and debt financing.

## **Conditions Precedent**

Completion shall take place on the next Business Day after the last of the following conditions precedent is satisfied (or otherwise waived by the Purchaser):

- (a) the outcome of the Purchaser's financial, legal and business due diligence against the Target Group to the satisfaction of the Purchaser;
- (b) the passing by the directors of the Vendor all necessary resolutions for approving the Sale and Purchase Agreement and the transactions contemplated thereunder;
- (c) the warranties remaining true and correct in all respects and not misleading in any respect at Completion as if repeated at all times between the date of the Sale and Purchase Agreement up to Completion; and
- (d) all necessary approvals, permits, consents and authorization having been obtained by the parties in connection with the transactions contemplated under the Sale and Purchase Agreement, whether pursuant to law, regulatory compliance or the Listing Rules or otherwise.

The Sale and Purchase Agreement shall be terminated automatically if any of the above conditions is not satisfied or waived (whether in whole or in part by the Purchaser as to the conditions above (so far as it relates to the Vendor)) on or before 31 December 2016 (the "**Long Stop Date**") (unless the parties have agreed in writing to extend the Long Stop Date for fulfilment of any of the relevant conditions) and none of the parties to the Sale and Purchase Agreement shall have any claim against the other party save in respect of any antecedent breaches of the terms of the Sale and Purchase Agreement.

## **Completion**

Parties to the Sale and Purchase Agreement shall use their best endeavors to procure the fulfillment of the conditions precedent set out above on or before 31 December 2016.

## **Profit Guarantee**

Subject to Completion, the Vendor irrevocably and unconditionally guarantees to the Purchaser that the audited consolidated profit before tax of the Target Group for the year ending 31 December 2017 shall be no less than Hong Kong Dollars Thirty Million (HK\$30,000,000) (the "**Guaranteed Profit**").

If the actual audited consolidated profit before tax of the Target Group for of the year ending 31 December 2017 (the “**Actual Profit**”) shall be less than the Guaranteed Profit, the Vendor shall repay the shortfall in cash to the Purchaser according to the following formula:

$$\text{Shortfall} = (\text{Guaranteed Profit} - \text{Actual Profit}) \times 8.3333$$

Where the Actual Profit is negative, it shall be deemed to be zero. The total maximum amount of the shortfall shall be the consideration under the Sale and Purchase Agreement. The Vendor and the Purchaser shall procure that the audited consolidated financial statements of the Target Group for the year ending 31 December 2017 shall be prepared and reported on by the auditor nominated by the Purchaser within three months after the said period or any other day as agreed by both parties.

## **INFORMATION ON THE TARGET GROUP**

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability and the principal activities of the Target Group are provision of consultancy and strategic services in relation to financial planning, accounting, valuation and company secretarial.

According to the management accounts as provided by the Vendor, the unaudited net loss before and after taxation of the Target Group were approximately HK\$2.7 million and HK\$2.7 million respectively for the year ended 31 December 2014, while the unaudited net loss before and after taxation of the Target Group were approximately HK\$1.3 million and HK\$1.3 million respectively for the year ended 31 December 2015. The Target Group’s unaudited net profit before and after taxation for the ten months ended 31 October 2016 were approximately HK\$16.4 million and HK\$14.4 million respectively while the unaudited net assets (excluding the Sales Loan) amounted to approximately HK\$115.2 million as at 31 October 2016.

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

The Company is an investment holding company, and through its subsidiaries are principally engaged in (i) the design, manufacture and sale of packaging products and structural components in the PRC; and (ii) the property investment.

In view of that (i) the profitability of the Target Group have been improved for the ten months ended 31 October 2016; (ii) the Profit Guarantee could reduce the Group’s potential risk exposure to this new business segment; and (iii) the Acquisition enable the Company to broaden its income base, the Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and the Acquisition is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Share and the assignment of Sale Loan pursuant to the Sale and Purchase Agreement
“Board”	the board of directors of the Company
“Business Day(s)”	a day (excluding Saturday and Sunday) on which banks are generally open for business in Hong Kong
“Company” or “Purchaser”	Jin Bao Bao Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Acquisition
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “5-(Li7.0305Tc4eto)-48.5(unn1(5-(Li7.Ts2ng)-,Li7.TsslN)-4onstrue346.8

“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Treasure Found Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Vendor as at the date of this announcement
“Target Group”	the Target Company and its subsidiaries (including PV Holdings Limited and PV Advisory Services Limited)
“Vendor”	Shining Praise Limited, a company incorporated in the British Virgin Islands with limited liability
“%”	per cent.

By Order of the Board  
**Jin Bao Bao Holdings Limited**  
**Xie Yan**  
*Executive Director*

Hong Kong, 10 November 2016

*As at the date of this announcement, the board of the Directors comprises Mr. Ling Zheng, Mr. He Xiaoming, Mr. Gui Shutao and Ms. Xie Yan as executive Directors; Mr. Lee Chi Hwa, Joshua, Mr. Lam Chi Wai and Mr. Chan Chun Kau as independent non-executive Directors.*

*In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*