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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: 6880)

**MAJOR TRANSACTION
ACQUISITION OF THE SALE SHARES AND THE SALE LOANS**

THE ACQUISITION

On 20 October 2016 (after trading hours), the Purchaser entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Vendor agrees to sell and assign, and the Purchaser agrees to purchase and accept the Sale Shares and the benefit of the Sale Loans.

The Vendor will also procure KK V (wholly owned by the Vendor) to sell the Additional Carpark to KK VIII upon the terms and conditions as set out in the Sale and Purchase Agreement.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 25% but below 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting, announcement and Shareholders' approval requirements.

The Company has obtained a written approval of the Acquisition from the Controlling Shareholder, which is beneficially interested in an aggregate of 231,994,800 Shares, representing approximately 66.3% of the entire issued share capital of the Company as at the date of this announcement. As no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Acquisition and the said written approval has been obtained, no extraordinary general meeting will be convened for the purpose of approving the Acquisition pursuant to Rule 14.44 of the Listing Rules.

A circular containing, inter alia, further information in respect of the Acquisition and all matters contemplated thereunder is expected to be despatched to the Shareholders on or before 10 November 2016 as more time is required to prepare the relevant financial and other information to be included in the circular under the Listing Rules.

SALE AND PURCHASE AGREEMENT

Date

20 October 2016 (after trading hours)

Parties

Purchaser: TEMPUS (BVI) PROPERTIES INVESTMENT LIMITED, a wholly owned subsidiary of the Company

Vendor: AG ACQUISITION W (BVI) LIMITED

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

Subject Matter

Pursuant to the Sale and Purchase Agreement, Vendor agrees to sell and assign, and the Purchaser agrees to purchase and accept the Sale Shares and the benefit of the Sale Loans.

KK VII is the legal and beneficial owner of Property 1, and KK VIII is the legal and beneficial owner of Property 2. The Carpark Space No. P22 of Property 1 (the "**Licensed Carpark**") is currently licensed out by the Vendor to a licensee which, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is Independent Third Party. Except for the Licensed Carpark, vacant possession of the Property 1 and Property 2 will be delivered to the Purchaser upon Completion.

Property 1 and Property 2 are preliminary valued at HK\$115,100,000 and HK\$109,300,000 respectively, as at 31 August 2016 by the Valuer. A valuation report of the Property 1 and Property 2 prepared by the Valuer will be contained in the circular of the Company to be despatched to the Shareholders.

The Vendor will also procure KK V (wholly owned by the Vendor), which is the legal and beneficial owner of the Additional Carpark, to sell the Additional Carpark to KK VIII upon the terms and conditions as set out in the Sale and Purchase Agreement.

Consideration and payment terms

The consideration of the Acquisition (“**Consideration**”) shall be settled in cash and calculated in the following manner:-

The purchase price of the Sale Shares and the Sale Loans (“**Pre-adjusted Purchase Price**”) shall be HK\$245,832,000, of which (i) HK\$120,668,000 shall be allocated to the purchase price of KK VII Sale Shares and KK VII Sale Loan, and (ii) HK\$122,664,000 shall be allocated to the purchase price of KK VIII Sale Shares and KK VIII Sale Loan, and (iii) an amount equivalent to HK\$2,500,000 shall be treated as the Purchaser’s advance to KK VIII for purchase of the Additional Carpark from KK V (“**Purchaser’s Advance**”), and the Pre-adjusted Purchase Price shall be adjusted by:

- (a) adding thereto an amount equal to the value of all the current assets of the KK VII and KK VIII respectively as at the Completion Date (for the avoidance of doubt, excluding Property 1 and Property 2); and
- (b) deducting therefrom an amount equal to the value of all the liabilities of the KK VII and KK VIII respectively as at the Completion Date (other than the Sale Loans, the Redemption Money (as defined below) and for the avoidance of doubt, the Purchaser’s Advance).

The Pre-adjusted Purchase Price as adjusted above is hereinafter called the “**Purchase Price**”.

The Purchase Price shall be paid by the Purchaser in the following manner:-

- (i) an initial deposit of HK\$24,583,200 (Hong Kong Dollars Twenty-four Million Five Hundred Eighty-three Thousand Two Hundred only) (“**Deposit**”) being 10% of the Pre-adjusted Purchase Price, has been paid to the Vendor’s Solicitors as stakeholder upon the execution of the Sale and Purchase Agreement;
- (ii) a further deposit in the sum of HK\$24,583,200 (“**Part Payment**”) being another 10% of the Pre-adjusted Purchase Price, shall be paid to the Vendor’s Solicitors as stakeholder on or before 3 November 2016;

(iii) the balance of the Purchase Price (after deduction of the Deposit and the Part Payment) subject to adjustments (the resulting balance being referred to as “**Balance of Purchase Price**”) shall be paid to the Vendor upon Completion. For the Balance of Purchase Price, the Vendor shall be entitled by giving a prior written notice of not less than three (3) Working Days requiring the Purchaser to split part of the payment towards repayment to the Lender so as to obtain a release or partial release of the Properties and the Additional Carpark from the Property Mortgage (“**Redemption Money**”).

The Consideration has been determined after arm’s length negotiations between the parties by reference to (i) the prevailing market price; and (ii) the preliminary value of the Target Properties appraised by the Valuer.

The Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable and in the interests of the Company and Shareholders as a whole.

Conditions precedent

Completion is subject to and conditional upon the Purchaser’s satisfaction of the following conditions (“**Conditions**”) unless specifically waived by the Purchaser in writing:-

- (a) the passing of resolution(s) by the shareholders at an extraordinary general meeting of the Company in accordance with the Listing Rules approving the Sale and Purchase Agreement and the transactions contemplated hereunder (if required);
- (b) KK V has completed the sale of the Additional Carpark to KK VIII at a consideration of HK\$2,500,000 pursuant to the Additional Carpark Agreement (as defined below) and the Additional Carpark Assignment (as defined below) respectively, both of which are duly executed by KK V (as vendor) and KK VIII (as purchaser);
- (c) the warranties given by the Vendor remaining true and accurate in all material respects and not misleading at Completion;
- (d) subject to the release/partial release of the Securities (insofar as relating to the subject matters under the Sale and Purchase Agreement) which the Vendor undertakes to do so on or before the Completion, the Vendor has good title to the Sale Shares and the Sale Loans free from all Encumbrances;
- (e) the Sale Loans are due and owing from the KK VII and KK VIII respectively to the Vendor, and subject to the release/partial release of the Securities (insofar as relating to the subject matters under the Sale and Purchase Agreement) which the Vendor undertake to do so on or before the completion, free from all Encumbrances;

- (f) subject to the release/partial release of the Securities (insofar as relating to the subject matters under the Sale and Purchase Agreement) which the Vendor undertakes to do so on or before the Completion, the entire share capital of KK VII and KK VIII respectively is legally and beneficially owned by the Vendor free from all Encumbrances;
- (g) subject to release of the Property Mortgage (which the Vendor undertakes to fully discharge to that extent) at or before Completion, KK VII is the sole registered and beneficial owner of Property 1 and it also has a good title to Property 1 in accordance with Section 13 of the CPO free from all Encumbrances;
- (h) subject to release of the Property Mortgage (which the Vendor undertakes to fully discharge to that extent) at or before Completion, KK VIII is the sole registered and beneficial owner of Property 2 and it also has a good title to Property 2 in accordance with Section 13 of the CPO free from all Encumbrances;
- (i) immediately before the assignment of the Additional Carpark by KK V to KK VIII and subject to release of the Property Mortgage (which the Vendor undertakes to fully discharge to that extent) at or before Completion, KK V is the sole registered and beneficial owner of the Additional Carpark and it also has a good title to the Additional Carpark in accordance with Section 13 of the CPO. Upon completion of the assignment of the Additional Carpark as aforesaid and release of the Property Mortgage at or before Completion, KK VIII will have acquired a good title to the Additional Carpark in accordance with Section 13 of the CPO free from all Encumbrances; and
- (j) the Vendor has shown and proved that each of KK VII and KK VIII has a good title to the respective Property in accordance with Section 13 of the CPO, and is able to give vacant possession of (i) those parts of the Property 1 and Property 2 which are not subject to any tenancies/licences; and (ii) the Additional Carpark, all of which are to be delivered to the Purchaser on Completion. It is an essential term of the Sale and Purchase Agreement that the Vendor shall procure that the said vacant possession shall be delivered to the Purchaser (or the Purchaser Nominee(s), as the case may be) on Completion.

If any of the Conditions is not fulfilled or waived by the Purchaser on or before Completion, the Purchaser shall have the right to defer Completion to a day not more than 28 days after the Completion Date.

Purchaser's Right of Nomination

The Purchaser shall have the right to nominate Tempus Holdings (Hong Kong) Limited to become the nominee ("**Purchaser Nominee**") to take its place to complete the transaction in accordance with the terms of the Sale and Purchase Agreement, subject to the Purchaser having served a written notice on the Vendor no later than ten (10) days before the Completion Date (of which time shall be of the essence) ("**Re-nomination Deadline**") on account of its difficulties in complying with the requirements of the Stock Exchange.

If the Purchaser shall have exercised the Purchaser's Right of Nomination by the Re-nomination Deadline, all references to the "Purchaser" in the Sale and Purchase Agreement shall be construed to refer to the "Purchaser Nominee" (unless the context does not permit), and all the rights and obligations of the Purchaser shall then be assumed by the Purchaser Nominee (provided that the Purchaser Nominee shall refund in full to the Purchaser all sums that have been paid by the Purchaser to the Vendor under the Sale and Purchase Agreement).

Completion

Subject to the fulfillment or waiver (as the case may be) of all the above conditions precedent, Completion shall take place at or before 1:00pm on a Working Day on or before 15 December 2016 ("**Completion Date**").

Simultaneously upon Completion, the Vendor shall procure KK V (as vendor) and KK VIII (as purchaser) to enter into a memorandum of sale and purchase ("**Additional Carpark Agreement**") and an assignment of the Additional Carpark ("**Additional Carpark Assignment**"), both dated the Completion Date with the parties agreeing to the sale and purchase of the Additional Carpark at a consideration equivalent to the Purchaser's Advance and with completion falling on the Completion Date, provided that the Vendor shall be fully responsible for all stamp duties arising from or relating to the transfer of the Additional Carpark from KK V to KK VIII, and the Purchaser shall under no circumstances be liable in respect thereof.

REASONS AND BENEFITS OF THE ACQUISITION

The Group currently leases a commercial property as its headquarters in Hong Kong. In order to cope with the Group's rapid and diversified development and increased headcount, the Group has been exploring appropriate office premises as its new headquarters. As compared to the existing office premises, the Target Properties are situated at a better location with larger area and supplementary facilities such as carpark space and exclusive right to use the flat roof of the building. The Group intends to hold the Target Properties for self-use as its new headquarters in Hong

Kong. The Directors believe that, in the long run, the Acquisition can save the rental expenses, facilitate stable and decent working environment for staffs, broaden the asset base of the Group, and provide capital appreciation opportunity to the Group and therefore is in the interests of the Company and its Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement and the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and Shareholders as a whole.

INFORMATION OF THE GROUP AND THE TARGET GROUP

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

KK VII and KK VIII are investment holding companies incorporated in British Virgin Islands and their principal assets are Property 1 and Property 2 respectively. Licensed Carpark of Property 1 is currently licensed to an Independent Third Party at the license fee of HK\$5,000 per month for one year from 1 July 2016 to 30 June 2017 (both days inclusive).

The Vendor is a company incorporated in the British Virgin Islands and its principal activity is investment holding.

FINANCIAL INFORMATION OF KK VII AND KK VIII

Set below is the financial information of KK VII and KK VIII for the period from their date of incorporation (i.e. 21 October 2015) to 31 December 2015 and the eight months ended 31 August 2016:

KK VII	For the period from date of incorporation to 31 December 2015 HK\$'000 (Audited)	For the eight months ended 31 August 2016 HK\$'000 (Unaudited)
Revenue	2	33
Profit (Loss) before taxation	19,667	(1,268)
Profit (Loss) after taxation	19,667	(1,268)

KK VIII	For the period from date of incorporation to 31 December 2015 HK\$'000 (Audited)	For the eight months ended 31 August 2016 HK\$'000 (Unaudited)
Revenue	—	—
Profit (Loss) before taxation	15,851	(1,447)
Profit (Loss) after taxation	15,851	(1,447)

The unaudited net assets of KK VII and KK VIII are approximately HK\$18,400,000 and HK\$14,405,000 respectively as at 31 August 2016.

Upon Completion, KK VII and KK VIII will become wholly owned subsidiaries of the Company, and as such their financial results will be consolidated in the accounts of the Group.

LISTING RULES IMPLICATION

The applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules, are 25% or more but less than 100%. Accordingly, the Acquisition constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained a written approval to the Acquisition from the Controlling Shareholder, which is beneficially interested in an aggregate of 231,994,800 Shares, representing approximately 66.3% of the entire issued share capital of the Company as at the date of this announcement. As (i) no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Acquisition; and (ii) the said written approval by the Controlling Shareholder has been obtained, no extraordinary general meeting will be convened for the purpose of approving the Acquisition pursuant to Rule 14.44 of the Listing Rules.

GENERAL

A circular containing, inter alia, further information in respect of the Acquisition is expected to be despatched to the Shareholders on or before 10 November 2016 in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

- “Acquisition”** the sale and purchase of the Sale Shares and the Sale Loans pursuant to the Sale and Purchase Agreement
- “Additional Carpark”** the Carpark Space No.P12 on 2nd Floor of King Kong Commercial Center (京光商業中心)” at No.9 Des Voeux Road West, Hong Kong, which is legally and beneficially owned by KK V and subject to Property Mortgage
- “Board”** the board of Directors
- “Company”** Tempus Holdings Limited, a company incorporated in Cayman Islands with limited liability whose issued Shares are listed on the Stock Exchange
- “Completion”** completion of the sale and purchase of the Sale Shares and assignment of the Sale Loans
- “connected person(s)”** has the meaning ascribed thereto under the Listing Rules
- “Controlling Shareholder”** Tempus Holdings (Hong Kong) Limited
- “CPO”** Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong)
- “Debenture”** the Debenture dated 17 December 2015 executed by, inter alia, KK VII and KK VIII respectively as chargor creating a fixed charge and floating charge over the present and future assets of KK VII and KK VIII respectively in favour of the Lender
- “Director(s)”** director(s) of the Company
- “Encumbrances”** any security interest, pledge, mortgage, lien, charge, limitation, condition, equitable interest, option, easement, encroachment, right of first refusal or similar adverse claim or restriction, including any restriction on transfer or other assignment, as security or otherwise, of or relating to use, quiet enjoyment, voting, receipt of income or exercise of any other attribute of ownership

“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), that are third parties independent of the Group and its connected persons in accordance with the Listing Rules
“KK V”	KK V (BVI) Limited, a company incorporated in British Virgin Islands with limited liability and a wholly owned subsidiary of the Vendor
“KK VII”	KK VII (BVI) Limited, a company incorporated in British Virgin Islands with limited liability and a wholly owned subsidiary of the Vendor
“KK VIII”	KK VIII (BVI) Limited, a company incorporated in British Virgin Islands with limited liability and a wholly owned subsidiary of the Vendor
“Lender”	United Overseas Bank Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Material Adverse Effect”	any event, circumstance, occurrence, fact, condition, change or effect that is materially adverse to the business, operations, financial condition, management, properties, assets or liabilities of any of KK VII or KK VIII
“Property 1”	28th Floor and the Carpark Space No.P22 on 2nd Floor of King Kong Commercial Center (京光商業中心)” at No.9 Des Voeux Road West, Hong Kong
“Property 2”	29th Floor and the Flat Roof (above 29th Floor) of King Kong Commercial Center (京光商業中心)” at No.9 Des Voeux Road West, Hong Kong
“Property Mortgage”	the property mortgage dated 17 December 2015 registered in the Land Registry by Memorial No.16011102110531 executed in favour of the Lender

“Purchaser”	Tempus (BVI) Properties Investment Limited, a company incorporated in British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Sale and Purchase Agreement”	the Sale and Purchase Agreement dated 20 October 2016 entered into between the Vendor and the Purchaser in relation to the Acquisition
“Sale Loans”	(1) the unsecured and interest free shareholder’s loan with no fixed term of repayment advanced by the Vendor to KK VII, and (2) the unsecured and interest free shareholder’s loan with no fixed term of repayment advance by the Vendor to KK VIII
“Sale Shares”	100 ordinary shares in each of KK VII and KK VIII, which represent the entire issued share capital of KK VII and KK VIII respectively
“Securities”	collectively, the Debenture, Subordination Agreement and the Share Mortgage
“Share Mortgage”	the Equitable Share Mortgage dated 16 December 2015 executed by the Vendor in favour of the Lender creating an equitable share mortgage over, inter alia, the Sale Shares
“Share(s)”	ordinary issued share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subordination Agreement”	the Subordination Agreement dated 16 December 2015 executed by, inter alia, KK VII and KK VIII respectively as subordinated creditors subordinating the indebtedness owing by the Borrowers (as defined therein) to them in favour of the Lender
“Target Properties”	Property 1 and Property 2
“Tempus Holdings (Hong Kong) Limited”	Tempus Holdings (Hong Kong) Limited, a company incorporated in Hong Kong with its registered office at 26/F., Pacific Plaza, 410 Des Voeux Road West, Hong Kong
“Valuer”	APAC Asset Valuation and Consulting Limited, an independent professional valuer

“Vendor”	AG Acquisition W (BVI) Limited, a company incorporated in British Virgin Islands with limited liability
“Working Day”	means a day on which banks are open for business in Hong Kong other than (a) a general holiday as defined in the General Holidays Ordinance (Cap 149 of the Laws of Hong Kong); (b) a Saturday and (c) any day on which typhoon signal No.8 or above is hoisted or the black rainstorm warning signal is issued during the period from 9:00 a.m. to 5:00 p.m. on any weekday in Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By Order of the Board
Tempus Holdings Limited
Zhong Baisheng
Chairman

Hong Kong, 20 October 2016

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.