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Jin Bao Bao Holdings Limited
金寶寶控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01239)

DISCLOSEABLE TRANSACTION

THE ACQUISITION

On 10 November 2016 (after trading hours), the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Share and the Sale Loan at the consideration of HK\$250 million.

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.

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The Sale and Purchase Agreement

Date: 10 November 2016 (after trading hours)

Parties: the Company (as purchaser)
the Vendor (as vendor)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an investment holding company; it and its ultimate beneficial owner are Independent Third Parties.

Assets to be acquired

The Sale Share represents the entire issued share capital of the Target Company. The Sale Loan represents the entire amount of loan due from the Target Group to the Vendor upon 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

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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 “connected” shall be construed accordingly
“Directors”	the directors 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)”	party(ies) which is/are independent of the Group and the connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong and the Macau Special Administrative Region of the PRC;
“Profit Guarantee”	the profit guarantee provided by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“Sale and Purchase Agreement”	the conditional sale and purchase agreement in relation to the Acquisition entered into between the Purchaser and the Vendor on 10 November 2016
“Sale Loan”	the entire amount due from the Target Group to the Vendor at Completion
“Sale Share”	one (1) share of the Target Company, representing the entire issued share capital of the Target Company as at the date of this announcement
“Share(s)”	ordinary share(s) HK\$0.001 each in the share capital of the Company

“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.