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**美捷滙控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1389)**

## **DISCLOSEABLE TRANSACTION:**

### **ACQUISITION OF WINE STOCKS INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE**

#### **THE ACQUISITION**

The Board is pleased to announce that on 8 August 2019 (after trading hours of the Stock Exchange), the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Acquisition Agreement pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Wine Stocks for the Consideration of HK\$32,112,000, which shall be satisfied by way of allotment and issue of the Consideration Shares to the Vendor under the General Mandate credited as fully paid.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition 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 the Listing Rules.

**Shareholders and potential investors should note that the Acquisition contemplated under the Acquisition Agreement is subject to satisfaction of certain conditions precedent and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

\* For identification purposes only

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## THE ACQUISITION AGREEMENT

The principal terms of the Acquisition Agreement are set out below:

**Date:** 8 August 2019 (after trading hours of the Stock Exchange)

**Parties:** The Purchaser: Major Cellar Company Limited

The Vendor: Ms. Lai Wai Kong

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Vendor is an Independent Third Party.

**Assets to be acquired:** The Wine Stocks, consisting of 1,379 bottles of wines

**Consideration:** HK\$32,112,000, which shall be satisfied by way of allotment and issue of 446,000,000 Consideration Shares at the issue price of HK\$0.072 per Consideration Share (rounded to 3 decimal places) to the Vendor upon Completion under the General Mandate credited as fully paid.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to, among other things, (i) the market value of the Wine Stocks; (ii) the quality and condition of the Wine Stocks; and (iii) other reasons and benefits of the Acquisition as stated under the section headed "Reasons for and benefits of the Acquisition" below.

The Directors (including the independent non-executive Directors) consider that the Consideration to be fair and reasonable and on normal commercial terms and the Acquisition is in the interests of the Company and the Shareholders as a whole.

**Consideration Shares:**

The Consideration Shares to be allotted and issued, assuming there will not be any issue or repurchase of Shares prior to Completion, will represent approximately 15.49% of the existing issued share capital of the Company and approximately 13.41% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Consideration Shares when allotted and issued, will rank pari passu in all respects with each other and with the Shares in issue on the date of allotment and issue of the Consideration Shares.

The issue price of HK\$0.072 per Consideration Share (rounded to 3 decimal places) represents:

- (a) the average of the closing prices per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 7 August 2019.
- (b) a premium of approximately 5.9% to the closing price per Share as quoted on the Stock Exchange on 8 August 2019, being the date of the Acquisition Agreement;

The issue price was arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to the average closing prices for the last five consecutive trading days. The Directors (including the independent non-executive Directors) consider that the issue price is fair and reasonable and in the interests of the Shareholders as a whole.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

**Conditions Precedent:**

- (a) the Vendor having transferred the Wine Stocks to the Purchaser in accordance with the terms of the Acquisition Agreement;
- (b) the Purchaser undertaking a due diligence investigation in respect of the Wine Stocks including but not limited to the quality or condition of the Wine Stocks and the Purchaser being satisfied in its absolute discretion with the results of such due diligence investigation;
- (c) all approvals of the directors and shareholders of the Company (if necessary) and all filings with any relevant governmental or regulatory authorities and other relevant third parties in Hong Kong or elsewhere which are required or appropriate for the entering into and the implementation of the Acquisition Agreement having been made and all applicable statutory or other legal obligations having been complied with;
- (d) no material adverse change having occurred since the date hereof to Completion;
- (e) the warranties in the Acquisition Agreement remaining true and accurate and not misleading at Completion as if repeated at Completion and at all times between the date of the Acquisition Agreement and Completion;
- (f) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Consideration Shares; and
- (g) receipt by the Purchaser of all necessary licences, approvals and consents in respect of the transactions contemplated under the Acquisition Agreement.

If the conditions have not been fulfilled by the Purchaser on or before the Long Stop Date, the provisions of the Acquisition Agreement (other than certain specified provisions) shall from such date have no effect and no party shall have any liability under them but without prejudice to the rights of any of the parties in respect of antecedent breaches.

## **Retention Shares**

The Purchaser shall be entitled to withhold the Retention Shares as security against, and to use the Retention Shares to pay or settle, any claims, liabilities or losses which may arise from or in connection with:

- (a) any breach of the Acquisition Agreement (including without limitation, any breach of warranties, representations and/or undertakings) by the Vendor;
- (b) the Vendor's ownership or use of or rights over the Wine Stocks before Completion; and/or
- (c) issues arising from the Wine Stocks including return of any of the Wine Stocks by the Purchaser's customers.

The Purchaser shall be authorised by the Vendor to sell and use the proceeds of the sale of such number of the Retention Shares as would be necessary to settle the claim amount payable to the Purchaser under the Acquisition Agreement. The balance of the Retention Shares shall be returned to the Vendor after the first anniversary of the date of Completion.

## **Completion**

Completion is expected to take place on the second business day after the fulfilment of the last of the conditions mentioned above.

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

The Group is principally engaged in sale and distribution of premium wine and spirits products primarily through retail channels in Hong Kong. The Directors have been proactively seeking appropriate investment opportunities to enhance the long-term growth of the Group and the return to the Shareholders.

The Wine Stocks consists of 1,379 bottles of premium wines with market price in the range of HK\$8,000 to \$1,216,000 per bottle. The total market value of the Wine Stocks is estimated to be HK\$38,900,000. The Directors consider that the Wine Stocks will complement the Group's existing products and enable the Group to provide an expanded offering of wine products to our existing clients and to attract new clients. Also, the Directors consider that the Wine Stocks have potential for asset appreciation in the near future and can generate additional revenue for the Group.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition 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 the Listing Rules.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Wine Stocks pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase agreement entered into between the Purchaser and the Vendor
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Major Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of HK\$32,112,000 payable by the Purchaser for the Acquisition
“Consideration Shares”	446,000,000 Shares to be allotted and issued by the Company at the issue price of HK\$0.072 (rounded to 3 decimal places) to the Vendor upon Completion pursuant to the terms of the Acquisition Agreement
“Director(s)”	the director(s) of the Company

“General Mandate”	the general and unconditional mandate granted to the Directors at the 2018 annual general meeting of the Company to issue, allot or otherwise deal with additional Shares and to make or grant offers, agreements and options to the extent of not more than 20% of the existing issued share capital of the Company in issue as at the date of passing the relevant resolution at the 2018 annual general meeting of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 October 2019
“Purchaser”	Major Cellar Company Limited, a company incorporated in the Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Retention Shares”	Certificate(s) to 20% of the Consideration Shares
“Share(s)”	ordinary share(s) of HK\$0.00125 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Ms. Lai Wai Kong

“Wine Stocks” certain wine stocks as set out in the Acquisition Agreement consisting of 1,379 bottles of wines

“%” per cent

By order of the Board  
**Major Holdings Limited**  
**Leung Chi Kin Joseph**  
*Executive Director*

Hong Kong, 8 August 2019

*As at the date of this announcement, the executive Directors are Mr. Cheung Chun To, Mr. Leung Chi Kin Joseph and Ms. Cheung Wing Shun, the independent non-executive Directors are Mr. Yue Kwai Wa Ken, Mr. Ngai Hoi Ying and Mr. Siu Shing Tak.*