

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 representation 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.

TEMPUS

騰邦控股

TEMPUS HOLDINGS LIMITED

騰邦控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 06880)

DISCLOSEABLE TRANSACTION IN RELATION TO PARTIAL DISPOSAL OF SHAREHOLDING IN A SUBSIDIARY

THE AGREEMENT

The Board announces that, on 6 August 2019 (after trading hours of the Stock Exchange), the Vendor, a direct wholly owned subsidiary of the Company, as vendor, and the Purchaser as purchaser entered into the Agreement pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares, representing approximately 14.93% of the entire issued share capital of the Target Company, at a consideration of HK\$3,000,000, which shall be settled by cash.

The Target Company, an indirect non-wholly owned subsidiary of the Company, is an investment holding company holding the entire equity interest in Sky Logistics and Great Giant. The Target Group is principally engaged in investment holding, trading of consumer products and provision for logistics services.

Upon Completion, the Vendor will continue to hold approximately 36.56% of the entire issued share capital of the Target Company. The Target Company will cease to be a subsidiary of the Company and will be accounted for as an associate of the Company using equity method. The financial results of the Target Group will no longer be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 6 August 2019 (after trading hours of the Stock Exchange), the Vendor, a direct wholly owned subsidiary of the Company, as vendor, and the Purchaser as purchaser entered into the Agreement pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares, representing approximately 14.93% of the entire issued share capital of the Target Company, at a consideration of HK\$3,000,000, which shall be settled by cash.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date: 6 August 2019 (after trading hours of the Stock Exchange)

Parties: (i) the Vendor
(ii) the Purchaser

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

Assets to be disposed of

Pursuant to the Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares, representing approximately 14.93% of the entire issued share capital of the Target Company.

Consideration

The consideration for the sale and purchase of the Sale Shares shall be HK\$3,000,000, which shall be settled in the following manner:

- (i) HK\$1,500,000 has been paid to the Vendor as earnest money and such amount has been converted into deposit upon signing of the Agreement; and
- (ii) the balance of the consideration shall be paid on the Completion Date.

The consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms after taking into account (i) the net asset value of the Target Group; (ii) the historical business performance and future prospect of the Target Group; and (iii) the liquidity issue of the Group. The Directors are of the view that the consideration is fair and reasonable and on normal commercial terms and that the Disposal is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion is conditional upon the satisfaction (or waiver, as the case may be) of the following conditions:

- (i) there being no occurrence of event(s) which has/have material adverse effect on the transactions contemplated under the Agreement; and
- (ii) all necessary consent and approval required to be obtained in respect of the Agreement and the transactions contemplated thereunder (including but not limited to the approvals from the board of directors of each party to the Agreement, the Company and the relevant government authorities) having been obtained.

If any of the abovementioned conditions precedent is not satisfied or waived at or before 10:00 am on the Long Stop Date, either party may terminate the Agreement whereupon the Vendor shall return the deposit to the Purchaser without interests within five days and neither party may claim against the other party.

Completion

Completion shall take place at or before 4pm on the Completion Date

Upon Completion, the Vendor will continue to hold approximately 36.56% of the entire issued share capital of the Target Company. The Target Company will cease to be a subsidiary of the Company and will be accounted for as an associate of the Company using equity method. The financial results of the Target Group will no longer be consolidated into the financial statements of the Group.

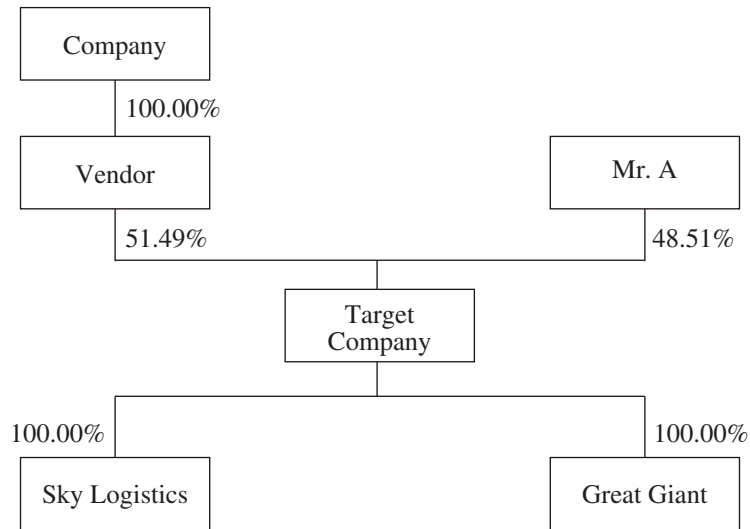
Despite Completion, the Vendor will continue to be entitled to the benefits of the profit guarantee under the 2016 Agreement to the exclusion of the Purchaser.

INFORMATION OF THE TARGET GROUP

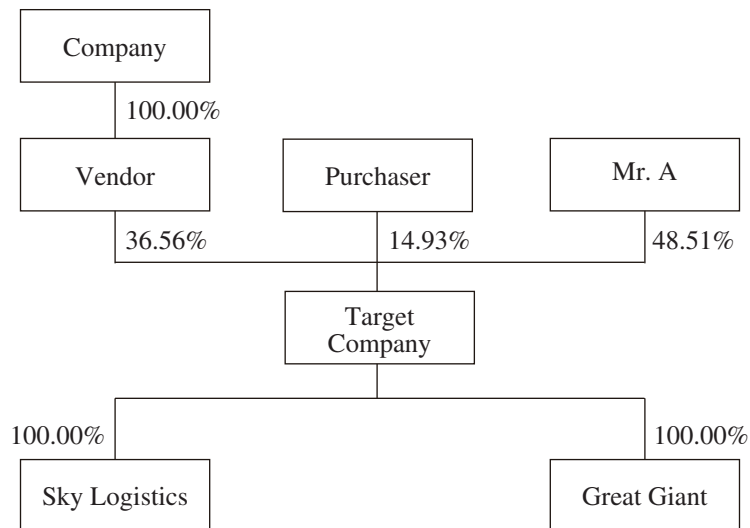
Shareholding structure of the Target Group

Set out below are the shareholding structures of the Target Group immediately before and after Completion:

Before Completion



After Completion



The Target Company is an investment holding company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement, which holds the entire issued share capital of Sky Logistics and Great Giant. The Target Group is principally engaged in investment holding, trading of consumer products and provision for logistics services.

Financial information of the Target Group

Set out below is the unaudited consolidated financial information of the Target Group for the two financial years ended 31 December 2017 and 31 December 2018:

	For the year ended 31 December 2018 <i>HK\$'000</i> <i>(Unaudited)</i>	For the year ended 31 December 2017 <i>HK\$'000</i> <i>(Unaudited)</i>
Revenue	76,773	60,466
(Loss)/profit before taxation	(929)	1,911
(Loss)/profit after taxation	(1,188)	1,773

The unaudited consolidated net assets of the Target Group as at 31 December 2018 was approximately HK\$7,993,000.

INFORMATION OF THE PURCHASER

The Purchaser is a citizen of Hong Kong. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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.

The business of the Target Group has become loss-making as a result of the economic downturn in PRC. The Disposal represents a continuation of the Group's strategy to strip loss-making business, streamline its businesses and improve its overall performance and prospects. Further, the Disposal will provide a net cash inflow to the Company to enhance the cash position and working capital of the Group in view of its recent liquidity issue. Despite the loss as a result of the Disposal, the Disposal represents an opportunity for the Group to realise part of its investment to reduce its overall business risk and to obtain additional working capital.

Based on the above, the Directors are of the view that the terms of the Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Group is expected to record an unaudited loss on the Disposal of approximately HK\$218,000. Such loss is estimated based on the consideration from the Disposal of HK\$3,000,000 minus the unaudited consolidated net assets of the Disposal of approximately 14.93% of the entire issued share capital of the Target Group of approximately HK\$461,000 and goodwill of approximately HK\$2,657,000 as at 30 June 2019 and the estimated transaction costs of approximately HK\$100,000. The Group intends to apply the sale proceeds for working capital and general corporate purposes.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Agreement”	the sale and purchase agreement dated 6 August 2019 entered into between the Vendor and the Purchaser in relation to the Disposal
“Board”	the board of Directors
“Company”	Tempus Holdings Limited (stock code: 06880), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the terms and conditions of the Agreement
“Completion Date”	the Long Stop Date or such other date as agreed by the parties to the Agreement in writing
“Directors”	the directors of the Company
“Disposal”	the sale of the Sale Shares by the Vendor pursuant to the terms and conditions of the Agreement
“Great Giant”	Great Giant Limited, a limited company incorporated in Hong Kong and a wholly owned subsidiary of the Target Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 August 2019 or such other date as the parties to the Agreement may agree in writing
“Mr. A”	an individual who is a director of the Target Company and holds approximately 48.51% of the entire issued share capital of the Target Company
“PRC”	the People’s Republic of China
“Purchaser”	an individual who is an Independent Third Party
“Sale Shares”	2,000 ordinary shares of HK\$1.00 each in the Target Company, representing approximately 14.93% of the entire issued share capital of the Target Company
“Shareholder(s)”	holder(s) of the ordinary share(s) in the capital of the Company
“Sky Logistics”	Sky Logistics & Supply Chain Limited, a limited company incorporated in Hong Kong and a wholly owned subsidiary of the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Tempus Sky Enterprises Limited, a limited company incorporated in Hong Kong
“Target Group”	the Target Company, Sky Logistics and Great Giant
“Vendor”	OTO (BVI) Investment Limited, a limited company incorporated in the British Virgin Islands and a direct wholly owned subsidiary of the Company

“%”

per cent.

“2016 Agreement”

an agreement dated 18 October 2016 entered into between the Vendor, the Target Company and Mr. A in respect of the sale and purchase of 3,500 shares of the Target Company and the allotment of 3,400 new shares of the Target Company

By Order of the Board
Tempus Holdings Limited
Zhong Baisheng
Chairman

Hong Kong, 6 August 2019

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Zhong Baisheng, Mr. Li Dongming, Mr. Huang Jingkai and Mr. Yip Chee Lai, Charlie; and three independent non-executive Directors, namely Mr. Han Biao, Mr. Li Qi and Mr. Choi Tan Yee.