
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tempus Holdings Limited (the “Company”), you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**(1) VERY SUBSTANTIAL DISPOSAL
DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL
IN THE TARGET COMPANIES AND
RELATED SHAREHOLDER’S LOAN;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial adviser to the Company



Capitalised terms used in this cover page shall have the meanings as those defined in this circular.

A letter from the Board is set out on pages 5 to 16 of this circular. A notice convening the EGM to be held at 28th Floor, No. 9 Des Voeux Road West, Hong Kong on Monday, 13 September 2021 at 10:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular at which ordinary resolutions will be proposed to approve, among other things, the Proposed Disposal.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you propose to attend the EGM, you are requested to complete the accompanying form of proxy for use at the EGM in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so desire and, in such case, the form of proxy submitted shall be deemed to be revoked.

PRECAUTIONARY MEASURES AND SPECIAL ARRANGEMENTS FOR THE EGM

Please refer to page 1 of this circular for the measures to be implemented at the EGM by the Company against the pandemic to protect the attendees from the risk of infection of the novel coronavirus (“COVID-19”), including:

- compulsory body temperature check
- compulsory wearing of surgical face mask
- no distribution of corporate gifts and no serving of refreshments

Any person who does not comply with the precautionary measures may be denied entry into the EGM venue. The Company wishes to advise Shareholders that you may appoint the Chairman of the EGM as your proxy to vote on the relevant resolutions at the EGM or any adjournment thereof as an alternative to attending the EGM in person.

19 August 2021

CONTENTS

	<i>Page</i>
PRECAUTIONARY MEASURES FOR THE EGM	1
DEFINITIONS	2
LETTER FROM THE BOARD	5
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX IIA — FINANCIAL INFORMATION OF THE TARGET COMPANY A	IIA-1
APPENDIX IIB — FINANCIAL INFORMATION OF THE TARGET COMPANY B	IIB-1
APPENDIX III — MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP	III-1
APPENDIX IV — UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP	IV-1
APPENDIX V — PROPERTY VALUATION REPORT OF THE TARGET COMPANIES	V-1
APPENDIX VI — GENERAL INFORMATION	VI-1
NOTICE OF THE EGM	EGM-1

PRECAUTIONARY MEASURES FOR THE EGM

In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread (as per guidelines issued by the Hong Kong government at <https://www.chp.gov.hk/en/features/102742.html>), the Company will implement necessary preventive measures at the EGM to protect attending Shareholders, proxy and other attendees from the risk of infection, including:

- (i) Compulsory body temperature check will be conducted on every Shareholder, proxy and other attendees at the entrance of the EGM venue. Any person found to be suffering from a fever or otherwise unwell may be denied entry into the EGM venue or be required to leave the EGM venue.
- (ii) Attendees are required to prepare his/her own surgical face masks and wear the same inside the EGM venue at all times, and to maintain a safe distance between seats.
- (iii) No corporate gifts will be distributed and no refreshments will be served.

To the extent permitted under law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

In the interest of all attendees' health and safety, the Company wishes to advise all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions duly completed, Shareholders may appoint the Chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM instead of attending the EGM in person.

The proxy form, which can also be downloaded from the Company's website (www.tempushold.com) and the website of the Stock Exchange (www.hkexnews.hk), is enclosed to this circular. If you are not a registered Shareholder (i.e. if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

DEFINITIONS

In this circular, the following expressions shall have the meanings as set out below unless the context requires otherwise:-

“Announcements”	the announcements of the Company dated 14 April 2021, 11 June 2021 and 30 June 2021 in relation to, among others, the Proposed Disposal
“Board”	the board of Directors
“Business Day”	a day (excluding any day on which a tropical cyclone warning no. 8 or above or a black rainstorm is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered or discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong are open for business (other than Saturday, Sunday and public holidays)
“BVI”	the British Virgin Islands
“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 and the Sale Loans in accordance with the terms of the Sale and Purchase Agreement
“Completion Date”	a Business Day on or before 13 October 2021 immediately after all the conditions above have been fulfilled or waived (as the case may be), or such other date as the Vendor and the Purchaser may agree in writing
“Completion Management Accounts”	the draft unaudited accounts of the Target Companies, comprising an unaudited statement of financial position as at the Completion Date prepared by the Target Companies for review by the Purchaser’s accountants
“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the total consideration payable by the Purchaser to the Vendor for the acquisition of the Sale Shares and the Sale Loans pursuant to the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened at 28th Floor, No. 9 Des Voeux Road West, Hong Kong, on Monday, 13 September 2021 at 10:30 a.m to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to the Proposed Disposal)

DEFINITIONS

“Group”	the Company and its subsidiaries
“Guarantor”	the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	12 August 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date on which the conditions are fulfilled but in any event no later than 21 September 2021 or such other later date as the Parties may agree in writing
“Mortgage(s)”	the mortgage(s)/legal charge(s) in relation to the Properties created by the Target Companies in favour of the Mortgagee dated 15 December 2016
“Mortgagee”	Hang Seng Bank Limited
“Mortgage Loan”	the loan(s) secured by the Mortgage
“Parties”	the Vendor, the Purchaser and the Guarantor
“PRC”	the People’s Republic of China
“Properties”	Property A and Property B
“Property A”	28th Floor and Carpark Space No. P22 on the 2nd Floor of No. 9 Des Voeux Road West, Hong Kong
“Property B”	29th Floor, rooftop and Carpark Space No. P12 on the 2nd Floor of No. 9 Des Voeux Road West, Hong Kong
“Proposed Disposal”	the proposed disposal of the Sale Shares and the Sale Loans by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“Purchaser”	Yi Feng Development Limited (億豐發展有限公司), a company incorporated in the BVI with limited liability
“Remaining Group”	the Group other than the Target Companies
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 30 June 2021 and entered into among the Parties in relation to the sale and purchase of the Sale Shares and the Sale Loans
“Sale Loans”	all the interests, benefits and rights of and in the shareholder’s loan owed by the Target Companies to the Vendor as at the Completion Date
“Sale Shares”	Sale Shares A and Sale Shares B
“Sale Shares A”	100 ordinary shares of US\$1 each in the Target Company A, being all the issued shares of the Target Company A
“Sale Shares B”	100 ordinary shares of US\$1 each in the Target Company B, being all the issued shares of the Target Company B
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S\$”	Singapore dollars, the lawful currency of Singapore
“Target Companies”	Target Company A and Target Company B
“Target Company A”	KK VII (BVI) Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Target Company B”	KK VIII (BVI) Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Tempus (BVI) Properties Investment Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company
“%”	per cent.

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Zhong Yiming (*Chief Executive Officer*)

Mr. Yip Chee Lai, Charlie

Mr. Sun Yifei

Mr. Wang Xingyi

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Non-executive Director:

Mr. Zhong Baisheng (*Chairman*)

Principal office in Hong Kong:

28th Floor

No. 9 Des Voeux Road West

Hong Kong

Independent non-executive Directors:

Mr. Li Qi

Mr. Wong Kai Hing

Mr. Cheng Tsz Lok

19 August 2021

To the Shareholders

Dear Sir/Madam,

VERY SUBSTANTIAL DISPOSAL

**DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL
IN THE TARGET COMPANIES AND
RELATED SHAREHOLDER'S LOAN**

INTRODUCTION

Reference is made to the Announcements, in relation to, among other things, the Proposed Disposal. On 30 June 2021 (after trading hours), the Vendor (a direct wholly-owned subsidiary of the Company), the Purchaser and the Company (as Guarantor for the performance of the obligations of the Vendor under the Sale and Purchase Agreement) entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, (i) the Sale Shares, representing the entire issued share capital of the Target Companies; and (ii) the Sale Loans, being all such sum of money due and owing by the Target Companies to the Vendor as at Completion.

LETTER FROM THE BOARD

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Proposed Disposal exceeds 75%, the Proposed Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with, among others, (i) further details of the Proposed Disposal; (ii) financial and other information of the Group; (iii) financial and other information of the Target Companies; (iv) unaudited pro forma financial information of the Remaining Group; (v) a valuation report of the properties held by the Target Companies; (vi) other information required to be disclosed under the Listing Rules; and (vii) the notice of the EGM.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follows:

Date

30 June 2021 (after trading hours)

Parties

- Vendor: Tempus (BVI) Properties Investment Limited, a direct wholly-owned subsidiary of the Company.
- Purchaser: Yi Feng Development Limited. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.
- Guarantor: the Company (as Guarantor for the performance of the obligations of the Vendor under the Sale and Purchase Agreement).

Assets to be disposed of

The assets to be disposed of pursuant to the Sale and Purchase Agreement comprise:

- (i) the Sale Shares, representing the entire issued share capital of the Target Companies. As at the Latest Practicable Date, the entire issued share capital of the Target Company A and the Target Company B was US\$100 and US\$100, respectively, which has been fully paid-up by the Vendor. Subject to the release of mortgage/charge over the Properties as discussed below, the Vendor shall transfer the Sale Shares, free of encumbrance, to the Purchaser; and
- (ii) the Sale Loans, being all such sum of money due and owing by the Target Companies to the Vendor as at Completion. As at 31 May 2021, the outstanding indebtedness owing by the Target Companies to the Vendor was in a sum of approximately HK\$175.9 million.

LETTER FROM THE BOARD

The Target Companies hold the entire legal and beneficial interest of each of the Properties. Further details of the Target Companies and the Properties are set out in the paragraph headed “Information on the Target Companies and the Properties” in this circular.

Consideration

The Consideration shall be calculated as follows:

Consideration = HK\$250 million + X - Y

where:

- X = the aggregate amount of the following tangible assets of the Target Companies:
- (a) utility deposits, management fee deposits, rates, government rent and other expenses prepaid in relation to the Properties for the period up to and inclusive of the Completion Date as shown in the Completion Management Accounts; and
 - (b) cash and bank balance as shown in the Completion Management Accounts, if any.
- Y = the aggregate amount of the liabilities of the Target Companies on the Completion Date, other than (a) the Sale Loans, (b) the Mortgage Loan, and (c) any deferred tax liabilities, as shown in the Completion Management Accounts and the amount payable by the Vendor under the Completion Management Accounts, if any.

The HK\$250 million comprises of (i) approximately HK\$175.9 million, being the amount of the Sale Loans as at 31 May 2021; and (ii) balance of approximately HK\$74.1 million, being the Sale Shares.

The Consideration has been paid or shall be payable in the following manner:

- (i) an initial deposit of HK\$25 million (the “**First Deposit**”) has been paid in cash by the Purchaser to the Vendor’s nominee prior to the signing of the Sale and Purchase Agreement;
- (ii) a further deposit of HK\$20 million (the “**Second Deposit**”, together with the First Deposit, collectively known as the “**Deposits**”) has been paid in cash by the Purchaser to the Vendor’s nominee on or before 16 July 2021; and
- (iii) the balance of the Consideration (the “**Remaining Consideration**”), shall be paid in cash by the Purchaser to the Vendor’s nominee on Completion.

If Completion does not take place due to the failure of the Purchaser (other than due to the default of the Vendor) to comply fully with its obligations as set out in the Sale and Purchase Agreement, the Deposits shall be forfeited by the Vendor absolutely as agreed liquidated damages, and the Vendor shall not take any further action to claim against the Purchaser for any further liabilities and/or damages for specific performance of the Sale and Purchase Agreement.

LETTER FROM THE BOARD

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, (i) the market values of the Property A and the Property B of approximately HK\$125.4 million and HK\$133.8 million as at 31 May 2021, respectively, as appraised by an independent firm of qualified professional valuer; (ii) the adjusted net asset values of the Target Companies of approximately HK\$82.6 million after taking into account the market values of Property A and Property B as appraised by an independent firm of qualified professional valuer; and (iii) the outstanding indebtedness owing by the Target Companies to the Vendor of approximately HK\$175.9 million as at 31 May 2021.

Notwithstanding that the Consideration represents a discount to the adjusted net asset values of the Target Companies and the Sale Loans, taking into account (i) the outstanding indebtedness in particular the bank and other borrowings, the Mortgage Loan and the First Payment Obligation (as defined below) under the Proposal (as defined below); and (ii) the Group's current financial conditions and that the Group is able to find purchaser for the Properties to accommodate the payment terms of the indebtedness, the Directors are of the view that the Consideration is fair and reasonable and that the Proposed Disposal is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion shall be conditional upon the fulfillment or (as appropriate) waiver of each of the following conditions (except for condition (iii) which cannot be waived) on or before the Long Stop Date:

- (i) the Purchaser having completed a due diligence review on the business, financial, legal and all other aspects of the Target Companies and reasonably satisfied with the results thereof;
- (ii) no material breach of the warranties as a result of which the Target Companies have suffered loss of more than HK\$750,000;
- (iii) the approval of the Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder;
- (iv) draft certificates of incumbency of the Target Companies having been provided by the registered agent of the Target Companies in the BVI;
- (v) the sale and purchase of the Sale Shares and the Sale Loans are to be completed simultaneously; and
- (vi) the simultaneous transfer at Completion of the Sale Shares A and Sale Shares B by the Vendor to the Purchaser.

LETTER FROM THE BOARD

If any of the above conditions is not fulfilled or waived (as the case may be) on the Long Stop Date, the Purchaser has the right to do the following at its own discretion:

- (i) waive the condition that has not been fulfilled, except for condition (iii) above which is not waivable;
- (ii) postpone the Long Stop Date to a date falling not more than 10 Business Days after the Long Stop Date or any other date to be mutually agreed by the Parties in writing; or
- (iii) by notice in writing to terminate the Sale and Purchase Agreement in which event the Deposits shall be forthwith returned to the Purchaser and the Parties shall have no claim against each other.

Mortgage

As at the Latest Practicable Date, the Properties are mortgaged or charged by the Target Companies to the Mortgagee under the Mortgage. The Vendor undertakes to (as agent for the Target Companies) pay off the amounts outstanding under the Mortgage and to obtain a valid release/discharge of the Properties from the Mortgage at the Vendor's own cost and expenses on or before Completion. The Purchaser agrees to accept the Vendor's solicitors' undertaking to deliver a release/discharge duly executed and attested releasing and discharging the Mortgages in accordance with the undertaking(s) and within such time as the Law Society of Hong Kong shall from time to time suggest.

As at the Latest Practicable Date, the amounts outstanding under the Mortgage Loan amounted to approximately HK\$178.1 million.

The Vendor and the Purchaser authorise the Vendor's solicitors, to appropriate the Remaining Consideration or part thereof as may be necessary for the redemption or discharge of the Mortgage.

The Vendor agrees that they will not create or enter into any charges (whether legal or equitable) liens or other incumbrances over the Properties or to dispose of the Properties after signing the Sale and Purchase Agreement.

Completion

Completion shall take place at or before 12:00p.m. on a Business Day on or before 13 October 2021 immediately after all the conditions above have been fulfilled or waived (as the case may be), or any other date to be mutually agreed between the Parties in writing or such other date as the Vendor and the Purchaser may agree in writing when the business set out in the Sale and Purchase Agreement shall be transacted.

LETTER FROM THE BOARD

Following Completion, the Target Companies will cease to be subsidiaries of the Company and the financial results and the assets and liabilities of the Target Companies will no longer be consolidated into the consolidated financial statements of the Group.

Guarantee

Pursuant to the Sale and Purchase Agreement, the Company has agreed to guarantee due observance and performance by the Vendor of all the agreements, obligations, undertakings and commitments contained in the Sale and Purchase Agreement.

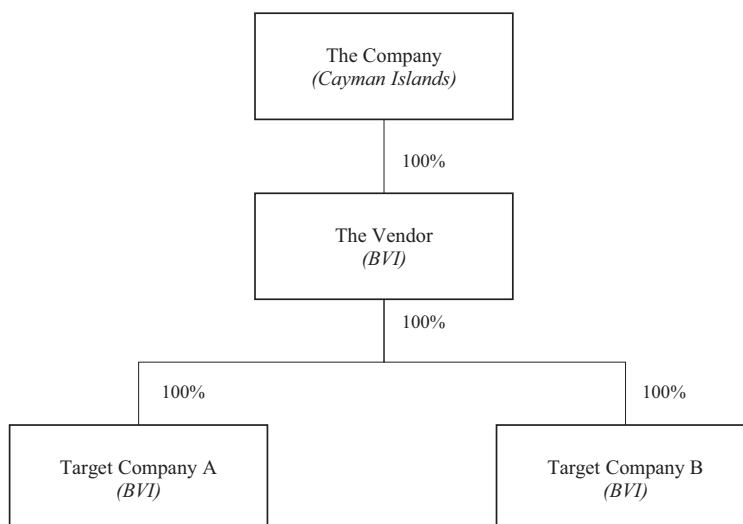
INFORMATION ON THE TARGET COMPANIES AND THE PROPERTIES

Information on the Target Companies

The Target Companies are companies incorporated in the BVI and are indirect wholly-owned subsidiaries of the Company. The principal activity of the Target Companies is property investment.

Corporate structure of the Target Companies

Set out below is the shareholding structure of the Target Companies as at the Latest Practicable Date:



LETTER FROM THE BOARD

Financial information of the Target Companies

Set out below is a summary of the financial information of Target Company A for the two years ended 31 December 2020 and the five months ended 31 May 2021:

	As at/Year ended		As at/Five
	31 December		31 May
	2019	2020	2021
	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(unaudited)
Revenue	—	664	89
Net loss before taxation	5,702	18,620	6,937
Net loss after taxation	5,702	18,575	6,939
Net assets	66,866	48,291	41,352

Set out below is a summary of the financial information of Target Company B for the two years ended 31 December 2020 and the five months ended 31 May 2021:

	As at/Year ended		As at/Five
	31 December		31 May
	2019	2020	2021
	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(unaudited)
Revenue	—	—	—
Net loss before taxation	5,768	19,933	7,227
Net loss after taxation	5,768	19,993	7,275
Net assets	70,458	50,465	41,275

Information on the Properties

The Properties are located at 28th Floor, 29th Floor, rooftop and Carpark Spaces No. P12 and No. P22 on the 2nd Floor of No. 9 Des Voeux Road West, Hong Kong, which have been used by the Group for its business operations.

Based on the property valuation report set out in Appendix V to this circular, the valuation of the Property A and the Property B as appraised by the independent firm of qualified professional valuer as at 31 May 2021 were approximately HK\$125.4 million and HK\$133.8 million, respectively.

Ascent Partners Valuation Service Limited, an independent qualified professional valuer, has valued the property interests of the Target Companies as at 31 May 2021. The text of the letter, summary of valuation and valuation certificates with regard to the property interests are set out in Appendix V to this circular.

LETTER FROM THE BOARD

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in the BVI with limited liability and is an investment holding company. The ultimate beneficial owner of the Purchaser is Canvest Environmental Protection Group Company Limited (stock code: 1381), which is principally engaged in the operation and management of waste-to-energy plants and provision of environmental hygiene and related services and integrated smart city management services.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

INFORMATION ON THE GROUP

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

INFORMATION ON THE VENDOR

The Vendor is a direct wholly-owned subsidiary of the Company, of which the principal business is investment holding.

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL

Earnings

For the year ended 31 December 2020, the Group recorded an audited loss and loss attributable to equity holders of the Company for the year of approximately HK\$81.4 million and HK\$82.2 million, respectively. Based on the “Unaudited Pro Forma Financial Information of the Remaining Group” as set out in Appendix IV to this circular, assuming the Completion had taken place on 31 December 2020, the unaudited pro forma consolidated loss and consolidated loss attributable to equity holders of the Company of the Remaining Group for the year ended 31 December 2020 would be approximately HK\$104.7 million and HK\$105.5 million, respectively.

Based on the “Financial Information of the Target Company A” and the “Financial Information of the Target Company B” as set out in Appendix IIA and Appendix IIB to this circular, assuming the Proposed Disposal had completed on 31 May 2021, it is expected that the Group would record an estimated loss of approximately HK\$12.0 million upon Completion with reference to (i) the Consideration of HK\$250 million; (ii) the estimated transaction costs and professional expenses of approximately HK\$3.5 million; (iii) the Sale Loans of approximately HK\$175.9 million; and (iv) the adjusted net asset values of the Target Companies of approximately HK\$82.6 million after taking into account the preliminary market values of Property A and Property B as appraised by an independent firm of qualified professional valuer.

The actual gain or loss arising from the Proposed Disposal may be different from the above and shall be subject to the review by the Company’s auditors and determined based on the amount of the consolidated net assets/liabilities (as the case may be) of the Target Companies, the amount of the Sale Loans as at the Completion Date and the amount of expenses incidental to the Proposed Disposal.

LETTER FROM THE BOARD

Assets and liabilities

Following Completion, the Target Companies will cease to be subsidiaries of the Company and the financial results and the assets and liabilities of the Target Companies will no longer be consolidated into the consolidated financial statements of the Group. According to the annual report of the Company for the year ended 31 December 2020, the audited consolidated total assets and total liabilities of the Group as at 31 December 2020 were approximately HK\$635.0 million and HK\$543.9 million, respectively. Based on the “Unaudited Pro Forma Financial Information of the Remaining Group” as set out in Appendix IV to this circular, assuming the Completion had taken place on 31 December 2020, the unaudited pro forma consolidated total assets and total liabilities of the Remaining Group as at 31 December 2020 would be approximately HK\$428.2 million and HK\$363.6 million, respectively.

Gearing ratios

Gearing ratio of the Group was calculated based on total borrowings divided by total assets, amounted to approximately 60.8% as at 31 December 2020. Given the Group intends to repay the indebtedness by the net proceeds from the Proposed Disposal, which will significantly reduce interest expenses in the future and improve the Group’s gearing ratio. Based on the “Unaudited Pro Forma Financial Information of the Remaining Group” as set out in Appendix IV to this circular, the gearing ratio of the Group would decrease to approximately 48.1%.

USE OF PROCEEDS

It is expected that the Company will receive net cash proceeds of approximately HK\$246.5 million from the Proposed Disposal after deducting the estimated transaction costs and professional expenses of approximately HK\$3.5 million.

The Company intends to use the proceeds from the Proposed Disposal as follows.

- (i) approximately HK\$176.6 million, or 71.6% of the net proceeds, be used for repayment of the bank and other borrowings and the Mortgage Loan;
- (ii) approximately HK\$47.0 million, or 19.1% of the net proceeds, be used for repayment of the outstanding debts; and
- (iii) approximately HK\$22.9 million, or 9.3% of the net proceeds, be used for general working capital.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

Given the unstable development of economic and political factors around the world under the current novel coronavirus (COVID-19) pandemic situation and Sino-US trade tension, fundraising activities of the Group during the year ended 31 December 2020 were also significantly affected, since potential investors and financial institutions were more cautious on equity and debt financing. In particular, the Group is exposed to the obligation to satisfy the liabilities with the CB Holder (as defined below). Hence, as the Group is able to find purchaser for the Properties, the Company considers that the Proposed Disposal represents an opportunity for the Group to realise from its investment in the Properties in order to accommodate the payment terms of the current and future indebtedness of the Group.

As disclosed in the announcement of the Company dated 1 June 2021 in relation to debt restructuring, the Company received a notice from Wan Tai Investments Limited (the “**CB Holder**”) informing the Company of its agreement in principle to the restructuring plan proposed by the Company in relation to the outstanding principal amount of convertible bonds remained outstanding and interest accrued thereof (the “**Proposal**”), pursuant to which the CB Holder shall only demand the Company to repay an amount of HK\$144 million (the “**Revised Debt**”) which shall be payable as to (i) HK\$56 million by cash on or before 30 November 2021 (the “**First Payment Obligation**”); (ii) for an amount up to HK\$44 million by subscription of the Shares following settlement of the First Payment Obligation (the “**Share Subscription**”). The total number of Shares to be subscribed by the CB Holder shall not exceed 20% of the enlarged total issued share capital of the Company immediately after the completion of the Share Subscription; and (iii) balance of the Revised Debt by cash within two years from the completion of the Share Subscription without interest. As at the Latest Practicable Date, the Company has repaid HK\$23.0 million to the CB Holder pursuant to the Proposal, and the remaining outstanding Revised Debt amounted to HK\$121.0 million.

Taking into consideration (i) the outstanding indebtedness; and (ii) the Group’s current financial conditions, the Company has been proactively seeking equity and debt financing opportunities and implementing strategies to conduct active dialogue with creditors and Shareholders on the Group’s business developments, as well as potential debt restructuring and re-financing plans with creditors, so as to improve overall financing cash flows. The Directors have considered various fund raising proposals including equity financing such as rights issue and placing, third party borrowings and disposal of assets of the Group and concluded that the Proposed Disposal is the best option available to settle the bank and other borrowings, the Mortgage Loan and the First Payment Obligation pursuant to the Proposal.

In particular, the Directors consider that the Proposed Disposal will (i) facilitate the settlement of the bank and other borrowings, the Mortgage Loan and the First Payment Obligation under the Proposal; (ii) improve the Company’s credit profile and provide for the long-term viability of the Company; and (iii) allow the Company to refocus on improving its performance in the business operations.

Following Completion, the Company is intended to lease other property as its principal office. The Company will publish further announcement(s) to update the Shareholders and potential investors of the Company on the matter as and when necessary in accordance with the requirements under the Listing Rules.

LETTER FROM THE BOARD

Notwithstanding that the Group would record an estimated loss of approximately HK\$12.0 million upon Completion and the entering into of the Sale and Purchase Agreement is not in the ordinary and usual course of business of the Group, taking into account (i) the outstanding indebtedness in particular the bank and other borrowings, the Mortgage Loan and the First Payment Obligation under the Proposal; and (ii) the Group's current financial conditions and that the Group is able to find purchaser for the Properties to accommodate the payment terms of the indebtedness, the Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Proposed Disposal exceeds 75%, the Proposed Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors, as at the Latest Practicable Date, none of the Shareholders has a material interest in the Proposed Disposal and therefore no Shareholder is required to abstain from voting on the ordinary resolution(s) to be proposed at the EGM approving the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to the Proposed Disposal).

GENERAL

The EGM will be convened at 28th Floor, No. 9 Des Voeux Road West, Hong Kong on Monday, 13 September 2021 at 10:30 a.m. for the Shareholders to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 8 September 2021 to 13 September 2021, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the EGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 7 September 2021.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof.

Pursuant to Rule 13.39(4) of the Listing Rules, the resolutions will be voted on by way of poll at the EGM and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Board believes that the Proposed Disposal contemplated under the Sale and Purchase Agreement is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions in relation to the Proposed Disposal contemplated under the Sale and Purchase Agreement to be proposed in the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Tempus Holdings Limited
Zhong Baisheng
Chairman

1. SUMMARY OF FINANCIAL INFORMATION

The consolidated financial statements of the Group, together with the accompanying notes, for each of the three years ended 31 December 2020 are disclosed in the annual reports of the Company for the financial years ended 31 December 2018 (pages 72 to 195), 31 December 2019 (pages 74 to 203) and 31 December 2020 (pages 70 to 191), respectively, and are incorporated by reference into this circular.

The said annual reports of the Company are available on the Company's website at www.tempushold.com and website of the Stock Exchange at www.hkexnews.hk through the links below:

For the annual report of the Company for the year ended 31 December 2018, please see:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0424/ltm20190424338.pdf>

For the annual report of the Company for the year ended 31 December 2019, please see:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0629/2020062900483.pdf>

For the annual report of the Company for the year ended 31 December 2020, please see:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0419/2021041900480.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 June 2021, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had total outstanding borrowings of approximately HK\$437,908,000, comprising secured interest-bearing bank loans of approximately HK\$178,406,000, other borrowings of approximately HK\$16,790,000, which include HK\$16,526,000 principal and HK\$264,000 interest payable, convertible bonds of approximately HK\$189,985,000 and lease liabilities of approximately HK\$52,727,000.

As at 30 June 2021, the interest-bearing bank loans were secured by the Group's leasehold land and buildings under property, plant and equipment and corporate guarantees executed by the Company.

As at 30 June 2021, the total amount due and payable under the convertible bonds was approximately HK\$190.0 million. The Company has not yet redeemed the convertible bonds.

Save as aforesaid and apart from intra-group liabilities, the Group did not, at the close of the business on 30 June 2021, have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, loans or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptance (other than normal trade bills and payables), acceptance credits, or any guarantees or other material contingent liabilities.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the applicable rates of exchange prevailing at the close of business on 30 June 2021.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the cash inflow of the Proposed Disposal and the financial resources presently available to the Group, including the internally generated funds and the currently available facilities, the Group has sufficient working capital for its normal business for at least the next 12 months from the date of this circular.

As disclosed in the announcement of the Company dated 1 June 2021 in relation to debt restructuring, the Company received a notice from Wan Tai Investments Limited (the “**CB Holder**”) informing the Company of its agreement in principle to the restructuring plan proposed by the Company in relation to the outstanding principal amount of convertible bonds remained outstanding and interest accrued thereof (the “**Proposal**”), pursuant to which the CB Holder shall only demand the Company to repay an amount of HK\$144 million (the “**Revised Debt**”) which shall be payable as to (i) HK\$56 million by cash on or before 30 November 2021 (the “**First Payment Obligation**”); (ii) for an amount up to HK\$44 million by subscription of the Shares following settlement of the First Payment Obligation (the “**Share Subscription**”). The total number of Shares to be subscribed by the CB Holder shall not exceed 20% of the enlarged total issued share capital of the Company immediately after the completion of the Share Subscription; and (iii) balance of the Revised Debt by cash within two years from the completion of the Share Subscription without interest. As at the Latest Practicable Date, the Company has repaid HK\$23.0 million to the CB Holder pursuant to the Proposal, and the remaining outstanding Revised Debt amounted to HK\$121.0 million.

The Directors are confident that the CB holder will accept the Proposal. However, if the Group fails to renew the schedule of redemption and is demanded for immediate redemption of the convertible bonds, it will have adverse impact to sufficient working capital of the Group for the next 12 months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

With the outbreak of the novel coronavirus (COVID-19), intensified Sino-US friction and the strife in deglobalization, the business environment faces more challenges and uncertainties than ever before. The Group’s sales of health and wellness products business in all regions, especially in respect of roadshow counters and corporate sales, were inevitably impacted in 2020. Nevertheless, with the rollout of the COVID-19 vaccine, the economic outlook in the PRC and Hong Kong will gradually improve. The Remaining Group will actively take steps to further develop the self-owned “OTO” brand and strengthen its market share by maintaining a positive spirit of innovation and continuous improvement so as to seek breakthroughs in products, marketing, channels and other aspects.

Given the unstable development of economic and political factors around the world under the current novel coronavirus (COVID-19) pandemic situation and Sino-US trade tension, fundraising activities of the Group during the year ended 31 December 2020 were also significantly affected, since potential investors and financial institutions were more cautious on equity and debt financing. In particular, the Group is exposed to the obligation to satisfy the liabilities with the CB Holder. The Proposed Disposal would represent a good opportunity for the Group to realise its investment, thereby improving the Group's financial position and allowing it to maintain a stronger cash flow and lower its short-term indebtedness. The Board believes that the improved financial position of the Group would be beneficial for its future business growth.

The following is the text of a report received from the Company's reporting accountants, Moore Stephens CPA Limited, Certified Public Accountants, Hong Kong, for the sole purpose of incorporation in this circular.

UNAUDITED FINANCIAL INFORMATION OF THE TARGET COMPANY A

Set out below are the unaudited statements of financial position of KK VII (BVI) Limited (the "Target Company A") as at 31 December 2018, 2019 and 2020 and 31 May 2021, and the unaudited statements of profit and loss and other comprehensive income, the unaudited statements of changes in equity and the unaudited statements of cash flows of the Target Company A for the three years ended 31 December 2018, 2019 and 2020 and five months ended 31 May 2020 and 2021 and certain explanatory notes (the "Unaudited Financial Information of the Target Company A").

The Unaudited Financial Information of the Target Company A has been prepared and presented on the basis set out in note 2 to the Unaudited Financial Information of the Target Company A and paragraph 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Unaudited Financial Information of the Target Company A is prepared by the directors of the Company solely for the purpose of inclusion in this circular in connection with the Disposal (as defined in note 1 to the Unaudited Financial Information of the Target Company A). The auditor of Tempus Holdings Limited (the "Company"), Moore Stephens CPA Limited, was engaged to review the Unaudited Financial Information of the Target Company A set out on pages IIA-2 to IIA-7 of this circular in accordance with Hong Kong Standard on Review Engagements 2410 (Revised) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, the auditor does not express an audit opinion.

Based on the review, nothing has come to the auditor's attention that causes them to believe that the Unaudited Financial Information of Target Company A is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information of the Target Company A.

Unaudited Statements of Profit or Loss and Other Comprehensive Income of the Target Company A

For the years ended 31 December 2018, 2019 and 2020 and five months ended 31 May 2020 and 2021

	Year ended 31 December			Five months ended 31 May	
	2018	2019	2020	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	2,067	—	664	209	89
Cost of sales	(582)	—	—	—	—
Gross profit	1,485	—	664	209	89
Change in fair value of investment properties	14,100	(4,200)	(15,018)	(6,618)	(6,500)
Impairment losses on financial assets	—	—	(2,916)	(2,584)	(89)
Administrative expenses	(19)	(534)	(593)	(279)	(238)
Finance cost	(641)	(968)	(757)	(425)	(199)
Profit/(loss) before tax	14,925	(5,702)	(18,620)	(9,697)	(6,937)
Income tax credit/(expense)	186	—	45	(6)	(2)
Profit/(loss) and total comprehensive income/(loss) for the year/period	<u>15,111</u>	<u>(5,702)</u>	<u>(18,575)</u>	<u>(9,703)</u>	<u>(6,939)</u>

**Unaudited Statements of Financial Position of the Target Company A
As at 31 December 2018, 2019 and 2020 and 31 May 2021**

	As at 31 December			As at 31 May
	2018	2019	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current asset				
Investment properties	150,900	146,700	131,900	125,400
Current assets				
Other receivables, prepayment and deposits	104	101	237	93
Amounts due from fellow subsidiaries	2,604	2,667	—	—
Amount due from an intermediate holding company	1,196	882	—	—
Bank balances	145	9	36	32
	4,049	3,659	273	125
Current liabilities				
Amount due to immediate holding company	82,115	83,167	83,167	83,921
Amount due to an intermediate holding company	—	—	333	—
Amount due to a fellow subsidiary	—	—	4	—
Other payables	—	60	157	29
	82,115	83,227	83,661	83,950
Net current liabilities	(78,066)	(79,568)	(83,388)	(83,825)
Total assets less current liabilities	72,834	67,132	48,512	41,575
Non-current liability				
Deferred taxation	266	266	221	223
Net assets	72,568	66,866	48,291	41,352

	As at 31 December			As at 31
	2018	2019	2020	May
	HK\$'000	HK\$'000	HK\$'000	2021
				HK\$'000
Capital and reserve				
Share capital	1	1	1	1
Retained profits	<u>72,567</u>	<u>66,865</u>	<u>48,290</u>	<u>41,351</u>
Total equity	<u><u>72,568</u></u>	<u><u>66,866</u></u>	<u><u>48,291</u></u>	<u><u>41,352</u></u>

Unaudited Statements of Changes in Equity of the Target Company A

For the years ended 31 December 2018, 2019 and 2020 and five months ended 31 May 2020 and 2021

	Share capital	Retained profits	Total equity
	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2018	1	57,456	57,457
Profit and total comprehensive income for the year	<u>—</u>	<u>15,111</u>	<u>15,111</u>
Balance at 31 December 2018	1	72,567	72,568
Loss and total comprehensive loss for the year	<u>—</u>	<u>(5,702)</u>	<u>(5,702)</u>
Balance at 31 December 2019	1	66,865	66,866
Loss and total comprehensive loss for the year	<u>—</u>	<u>(18,575)</u>	<u>(18,575)</u>
Balance at 31 December 2020	1	48,290	48,291
Loss and total comprehensive loss for the period	<u>—</u>	<u>(6,939)</u>	<u>(6,939)</u>
Balance at 31 May 2021	<u><u>1</u></u>	<u><u>41,351</u></u>	<u><u>41,352</u></u>
Balance at 1 January 2020	1	66,865	66,866
Loss and total comprehensive loss for the period	<u>—</u>	<u>(9,703)</u>	<u>(9,703)</u>
Balance at 31 May 2020	<u><u>1</u></u>	<u><u>57,162</u></u>	<u><u>57,163</u></u>

Unaudited Statements of Cash Flows of the Target Company A
For the years ended 31 December 2018, 2019 and 2020 and five months ended 31 May 2020
and 2021

	Year ended 31 December			Five months ended 31 May	
	2018	2019	2020	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Operating activities					
Profit/(loss) before tax	14,925	(5,702)	(18,620)	(9,697)	(6,937)
Adjustments for:					
Finance cost	641	968	757	425	199
Impairment losses on financial assets	—	—	2,916	2,584	89
Changes in fair value of investment properties	<u>(14,100)</u>	<u>4,200</u>	<u>15,018</u>	<u>6,618</u>	<u>6,500</u>
	<u>1,466</u>	<u>(534)</u>	<u>71</u>	<u>(70)</u>	<u>(149)</u>
(Increase)/decrease in other receivables, prepayments and deposits	(9)	3	(468)	(330)	55
Decrease/(increase) in amounts due from fellow subsidiaries	894	(63)	83	83	—
Increase/(decrease) in other payables	<u>—</u>	<u>60</u>	<u>(245)</u>	<u>129</u>	<u>(128)</u>
Net cash generated from/(used in) operating activities	<u>2,351</u>	<u>(534)</u>	<u>(559)</u>	<u>(188)</u>	<u>(222)</u>
Investing activities					
Addition of investment properties	—	—	(218)	(218)	—
(Increase)/decrease in amount due from an intermediate holding company	<u>(1,838)</u>	<u>(654)</u>	<u>467</u>	<u>399</u>	<u>—</u>
Net cash (used in)/generated from investing activities	<u>(1,838)</u>	<u>(654)</u>	<u>249</u>	<u>181</u>	<u>—</u>

Unaudited Statements of Cash Flows of the Target Company A

For the years ended 31 December 2018, 2019 and 2020 and five months ended 31 May 2020 and 2021

	Year ended 31 December			Five months ended 31 May	
	2018	2019	2020	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financing activities					
Advance from an immediate holding company	—	1,052	—	—	218
(Repayment to)/advance from an intermediate holding company	(247)	—	333	—	—
(Repayment to)/advance from a fellow subsidiary	(360)	—	4	4	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash (used in)/generated from financing activities	<u>(607)</u>	<u>1,052</u>	<u>337</u>	<u>4</u>	<u>218</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net (decrease)/increase in cash and cash equivalents	(94)	(136)	27	(3)	(4)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents at beginning of the financial year/period	239	145	9	9	36
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents at end of year/period	<u>145</u>	<u>9</u>	<u>36</u>	<u>6</u>	<u>32</u>

**Notes to the Unaudited Financial Information of the Target Company A
For the years ended 31 December 2018, 2019 and 2020 and five months ended 31 May 2020
and 2021**

1. GENERAL INFORMATION

KK VII (BVI) Limited (the “Target Company A”) is a limited liability company incorporated in the British Virgin Islands. The address of its registered office is Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands and the address of the principal place of business of the Target Company A is 28th Floor, No. 9 Des Voeux Road West, Hong Kong.

Its immediate holding company is Tempus (BVI) Properties Investment Limited, a limited liability company incorporated in the British Virgin Islands, and its intermediate holding company is Tempus Holdings Limited (the “Company”), a limited liability company incorporated in the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The directors of the Company consider that its ultimate holding company is Shenzhen Pingfeng Jewellery Limited, a company established in the People’s Republic of China, which holds 98% equity interests of Tempus Group Co., Ltd. The ultimate controlling party is Mr. Zhong Baisheng.

On 30 June 2021, Tempus (BVI) Properties Investment Limited (the “Vendor”), Yi Feng Development Limited (the “Purchaser”) and the Company (the “Vendor’s Guarantor”), entered into a sale and purchase agreement, in which the Purchaser would acquire the entire issued share capital of the Target Company A and KK VIII (BVI) Limited (the “Target Company B”) and the Vendor’s loan to the Target Company A and the Target Company B as at completion (the “Disposal”).

2. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

The Financial Information of the Target Company A comprising the unaudited statements of financial position of the Target Company A as at 31 December 2018, 2019 and 2020 and 31 May 2021, and the unaudited statements of profit or loss and other comprehensive income, unaudited statements of changes in equity and unaudited statements of cash flows for the three years ended 31 December 2020 and five months ended 31 May 2020 and 2021 (the “Relevant Periods”), and explanatory notes (the “Financial Information”) has been prepared in accordance with paragraph 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), and solely for the purpose of inclusion in this circular to be issued by the Company in connection with the Disposal.

The Financial Information has been prepared in accordance with the same accounting policies as those adopted by the Company and its subsidiaries (collectively referred to as the “Group”) in preparation of the financial statements of the Group for those respective years or periods. The financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which includes all HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong.

The Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 (Revised) *Presentation of Financial Statements*, or an interim financial report as defined in Hong Kong Accounting Standard 34 *Interim Financial Reporting*, issued by the HKICPA and should be read in connection with the relevant published annual reports or interim reports of the Company for the Relevant Periods.

The following is the text of a report received from the Company's reporting accountants, Moore Stephens CPA Limited, Certified Public Accountants, Hong Kong, for the sole purpose of incorporation in this circular.

UNAUDITED FINANCIAL INFORMATION OF THE TARGET COMPANY B

Set out below are the unaudited statements of financial position of KK VIII (BVI) Limited (the "Target Company B") as at 31 December 2018, 2019 and 2020 and 31 May 2021, and the unaudited statements of profit and loss and other comprehensive income, the unaudited statements of changes in equity and the unaudited statements of cash flows of the Target Company B for the three years ended 31 December 2018, 2019 and 2020 and five months ended 31 May 2020 and 2021 and certain explanatory notes (the "Unaudited Financial Information of the Target Company B").

The Unaudited Financial Information of the Target Company B has been prepared and presented on the basis set out in note 2 to the Unaudited Financial Information of the Target Company B and paragraph 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Unaudited Financial Information of the Target Company B is prepared by the directors of the Company solely for the purpose of inclusion in this circular in connection with the Disposal (as defined in note 1 to the Unaudited Financial Information of the Target Company B). The auditor of Tempus Holdings Limited (the "Company"), Moore Stephens CPA Limited, was engaged to review the Unaudited Financial Information of the Target Company B set out on pages IIB-2 to IIB-8 of this circular in accordance with Hong Kong Standard on Review Engagements 2410 (Revised) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, the auditor does not express an audit opinion.

Based on the review, nothing has come to the auditor's attention that causes them to believe that the Unaudited Financial Information of Target Company B is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information of the Target Company B.

Unaudited Statements of Profit or Loss and Other Comprehensive Income of the Target Company B

For the years ended 31 December 2018, 2019 and 2020 and five months ended 31 May 2020 and 2021

	Year ended 31 December			Five months ended 31 May	
	2018	2019	2020	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	4,852	—	—	—	—
Cost of sales	<u>(559)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Gross profit	4,293	—	—	—	—
Change in fair value of investment properties	15,400	(4,300)	(14,699)	(5,799)	(6,800)
Impairment losses on financial assets	—	—	(3,782)	(3,782)	—
Administrative expenses	(16)	(465)	(666)	(331)	(220)
Finance cost	<u>(665)</u>	<u>(1,003)</u>	<u>(786)</u>	<u>(441)</u>	<u>(207)</u>
Profit/(loss) before tax	19,012	(5,768)	(19,933)	(10,353)	(7,227)
Income tax expense	<u>(754)</u>	<u>—</u>	<u>(60)</u>	<u>(313)</u>	<u>(48)</u>
Profit/(loss) and total comprehensive income/(loss) for the year/period	<u>18,258</u>	<u>(5,768)</u>	<u>(19,993)</u>	<u>(10,666)</u>	<u>(7,275)</u>

Unaudited Statements of Financial Position of the Target Company B
As at 31 December 2018, 2019 and 2020 and 31 May 2021

	As at 31 December			As at 31
	2018	2019	2020	May
	HK\$'000	HK\$'000	HK\$'000	2021
				HK\$'000
Non-current asset				
Investment properties	159,500	155,200	140,600	133,800
Current assets				
Other receivables, prepayment and deposits	124	134	136	136
Amounts due from a fellow subsidiary	5,100	3,865	4	—
Amount due from an intermediate holding company	4,221	3,584	2,362	—
Tax recoverable	—	106	—	—
Bank balances	172	13	27	24
	9,617	7,702	2,529	160
Current liabilities				
Amount due to immediate holding company	90,182	91,953	91,953	91,949
Amount due to a fellow subsidiary	1,272	—	—	—
Tax payable	1,004	—	—	—
Other payables	—	58	52	29
	92,458	92,011	92,005	91,978
Net current liabilities	(82,841)	(84,309)	(89,476)	(91,818)

	As at 31 December			As at 31 May
	2018	2019	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total assets less current liabilities	76,659	70,891	51,124	41,982
Non-current liability				
Deferred taxation	433	433	659	707
Net assets	76,226	70,458	50,465	41,275
Capital and reserve				
Share capital	1	1	1	1
Reserves	76,225	70,457	50,464	41,274
Total equity	76,226	70,458	50,465	41,275

Unaudited Statements of Changes in Equity of the Target Company B
For the years ended 31 December 2018, 2019 and 2020 and five months ended 31 May 2020
and 2021

	Share capital	Retained profits	Other reserve (note)	Total equity
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at 1 January 2018	1	57,967	—	57,968
Profit and total comprehensive income for the year	—	18,258	—	18,258
Balance at 31 December 2018	1	76,225	—	76,226
Loss and total comprehensive loss for the year	—	(5,768)	—	(5,768)
Balance at 31 December 2019	1	70,457	—	70,458
Loss and total comprehensive loss for the year	—	(19,993)	—	(19,993)
Balance at 31 December 2020	1	50,464	—	50,465
Loss and total comprehensive loss for the period	—	(7,275)	—	(7,275)
Deemed distribution to an intermediate holding company	—	—	(1,915)	(1,915)
Balance at 31 May 2021	<u>1</u>	<u>43,189</u>	<u>(1,915)</u>	<u>41,275</u>
Balance at 1 January 2020	1	70,457	—	70,458
Loss and total comprehensive loss for the period	—	(10,666)	—	(10,666)
Balance at 31 May 2020	<u>1</u>	<u>59,791</u>	<u>—</u>	<u>59,792</u>

Note: The deemed distribution to an intermediate holding company represents the waiver of amount due from an intermediate holding company by the Target Company B.

Unaudited Statements of Cash Flows of the Target Company B**For the years ended 31 December 2018, 2019 and 2020 and five months ended 31 May 2020 and 2021**

	Year ended 31 December			Five months ended 31 May	
	2018	2019	2020	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Operating activities					
Profit/(loss) before tax	19,012	(5,768)	(19,933)	(10,353)	(7,227)
Adjustments for:					
Finance cost	665	1,003	786	441	207
Impairment losses on financial assets	—	—	3,782	3,782	—
Changes in fair value of investment properties	(15,400)	4,300	14,699	5,799	6,800
	4,277	(465)	(666)	(331)	(220)
(Increase)/decrease in other receivables, prepayments and deposits	—	(10)	(2)	12	—
Increase/(decrease) in other payables	—	58	(361)	2	(23)
Cash generated from/(used in) operating activities	4,277	(417)	(1,029)	(317)	(243)
Income tax (paid)/refunded	—	(1,110)	272	—	—
Net cash generated from/(used in) operating activities	4,277	(1,527)	(757)	(317)	(243)
Investing activities					
Addition of investment properties	—	—	(99)	(99)	—
Decrease in amount due from a fellow subsidiary	—	1,235	79	79	—
(Increase)/decrease in amount due from an intermediate holding company	(4,886)	(366)	791	333	240
Net cash (used in)/generated from investing activities	(4,886)	869	771	313	240

For the years ended 31 December 2018, 2019 and 2020 and five months ended 31 May 2020 and 2021

	Year ended 31 December			Five months ended 31 May	
	2018	2019	2020	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financing activities					
Advance from an immediate holding company	—	1,771	—	—	—
Advance from/(repayment to) a fellow subsidiary	328	(1,272)	—	—	—
Repayment to an intermediate holding company	(279)	—	—	—	—
Net cash generated from financing activities	49	499	—	—	—
Net (decrease)/increase in cash and cash equivalents	(560)	(159)	14	(4)	(3)
Cash and cash equivalents at beginning of the financial year/period	732	172	13	13	27
Cash and cash equivalents at end of year/period	172	13	27	9	24

**Notes to the Financial Information of the Target Company B
For the years ended 31 December 2018, 2019 and 2020 and five months ended 31 May 2020
and 2021**

1. GENERAL INFORMATION

KK VIII (BVI) Limited (the “Target Company B”) is a limited liability company incorporated in the British Virgin Islands. The address of its registered office is Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands and the address of the principal place of business of the Target Company B is 28th Floor, No. 9 Des Voeux Road West, Hong Kong.

Its immediate holding company is Tempus (BVI) Properties Investment Limited, a limited liability company incorporated in the British Virgin Islands, and its intermediate holding company is Tempus Holdings Limited (the “Company”), a limited liability company incorporated in the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The directors of the Company consider that its ultimate holding company is Shenzhen Pingfeng Jewellery Limited, a company established in the People’s Republic of China, which holds 98% equity interests of Tempus Group Co., Ltd. The ultimate controlling party is Mr. Zhong Baisheng.

On 30 June 2021, Tempus (BVI) Properties Investment Limited (the “Vendor”), Yi Feng Development Limited (the “Purchaser”) and the Company (the “Vendor’s Guarantor”), entered into a sale and purchase agreement, in which the Purchaser would acquire the entire issued share capital of KK VII (BVI) Limited (the “Target Company A”) and the Target Company B and the Vendor’s loan to the Target Company A and the Target Company B as at completion (the “Disposal”).

2. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

The Financial Information of the Target Company B comprising the unaudited statements of financial position of the Target Company B as at 31 December 2018, 2019 and 2020 and 31 May 2021, and the unaudited statements of profit or loss and other comprehensive income, unaudited statements of changes in equity and unaudited statements of cash flows for the three years ended 31 December 2020 and five months ended 31 May 2020 and 2021 (the “Relevant Period”), and explanatory notes (the “Financial Information”) has been prepared in accordance with paragraph 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), and solely for the purpose of inclusion in this circular in connection with the Disposal.

The Financial Information has been prepared in accordance with the same accounting policies as those adopted by the Company and its subsidiaries (collectively referred to as the “Group”) in preparation of the financial statements of the Group for those respective years or periods. The financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which includes all HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong.

The Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 (Revised) *Presentation of Financial Statements*, or an interim financial report as defined in Hong Kong Accounting Standard 34 *Interim Financial Reporting*, issued by the HKICPA and should be read in connection with the relevant published annual reports or interim reports of the Company for the Relevant Periods.

APPENDIX III MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

MANAGEMENT DISCUSSION AND ANALYSIS ON THE REMAINING GROUP

There will be no change to the principal business of the Group as a result of the Proposed Disposal. The following is the management discussion and analysis of the Remaining Group for the three years ended 31 December 2020.

Segmental information

The Remaining Group had two business segments, namely sales of health and wellness products business and trading business. A summary of the revenues and profit or loss of each business segment of the Remaining Group for the three years ended 31 December 2020 is as follows:

	Year ended 31 December					
	2018		2019		2020	
	<i>Revenue</i>	<i>Profit</i>	<i>Revenue</i>	<i>Profit/</i>	<i>Revenue</i>	<i>Profit/</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>(loss)</i>	<i>HK\$'000</i>	<i>(loss)</i>
				<i>HK\$'000</i>		<i>HK\$'000</i>
Sales of health and wellness products business	404,684	5,887	448,627	(17,364)	399,864	6,481
Trading business	140,348	5,085	2,150	(14,558)	3,543	(3,408)
Total	<u>545,032</u>	<u>10,972</u>	<u>450,777</u>	<u>(31,922)</u>	<u>403,407</u>	<u>3,073</u>

Sales of health and wellness products business

For the year ended 31 December 2018, sales of massage chairs and other massage/fitness/diagnostics products amounted to approximately HK\$261.3 million and HK\$143.4 million, respectively, representing approximately 64.6% and 35.4% of the Group's total revenue from the sales of health and wellness products business, respectively. In 2018, the Group launched a total of 35 new products, generating revenue of approximately HK\$114.5 million, representing approximately 28.3% of the Group's revenue from the sales of health and wellness products business. The Group also engaged Ms. Eliza Sam as spokesperson for a high-end massage chair and a foot massage product, respectively contributing approximately 11.8% and 14.7% of revenue generated from the new products.

For the year ended 31 December 2019, sales of massage chairs and other massage/fitness/diagnostics products amounted to approximately HK\$404.5 million and HK\$44.1 million, respectively, representing approximately 90.2% and 9.8% of the Group's segment revenue from the sales of health and wellness products business, respectively. The Group launched a total of 34 new products, generating revenue of approximately HK\$65.2 million, representing approximately 14.5% of the Group's segment revenue from the sales of health and wellness products business.

APPENDIX III MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

For the year ended 31 December 2020, sales of massage chairs/other massage and fitness/diagnostics products amounted to approximately HK\$367.4 million and HK\$32.5 million, respectively, representing approximately 91.9% and 8.1% of the Group's segment revenue from the sales of health and wellness products business, respectively. The Group launched a total of 36 new products, generating revenue of approximately HK\$50.2 million, representing approximately 12.5% of the Group's segment revenue from the sales of health and wellness products business.

Trading business

For the year ended 31 December 2018, the revenue generated from trading business reached approximately HK\$140.3 million, representing approximately 15.8% of the total revenue of the Group. The Group's trading business represents trading of goods such as personal consumables. The decrease of approximately 5.6% in revenue generated from trading was mainly due to several unfavourable economic events during the year, which had an adverse effect on this sector.

For the year ended 31 December 2019, the revenue generated from trading business amounted to approximately HK\$2.2 million, representing approximately 0.5% of the revenue generated from continuing operations of the Group. The significant decrease of approximately 98.5% in revenue generated from trading was mainly due to the adverse effect faced by the general business environment across the Asia Pacific region, especially import and export trade, caused by the prolonged Sino-US trade war during the year and political upheaval in Hong Kong in the second half of year 2019.

For the year ended 31 December 2020, the revenue generated from trading business amounted to approximately HK\$3.5 million, representing approximately 0.9% of the revenue generated from continuing operations of the Group. The increase of approximately 64.8% in the revenue generated from trading business as compared to the year 2019 was mainly due to the revenue generated from trading of circuit boards during the year.

Liquidity, financial resources and capital structure

As at 31 December 2018, 2019 and 2020, the total assets of the Group amounted to approximately HK\$1,123.6 million, HK\$704.2 million and HK\$635.0 million, respectively. The primary assets of the Group were property, plant and equipment. As at 31 December 2018, 2019 and 2020, the property, plant and equipment of the Group amounted to approximately HK\$339.0 million, HK\$324.5 million and HK\$298.5 million, respectively.

As at 31 December 2018, 2019 and 2020, the total liabilities of the Group amounted to approximately HK\$673.3 million, HK\$543.8 million and HK\$543.9 million, respectively. Majority of the liabilities of the Group was bank and other borrowings and convertible bonds. As at 31 December 2018, 2019 and 2020, the bank and other borrowings of the Group amounted to approximately HK\$293.7 million, HK\$205.4 million and HK\$196.7 million, respectively. As at 31 December 2018, 2019 and 2020, the convertible bonds of the Group amounted to approximately HK\$192.2 million, HK\$170.5 million and HK\$189.5 million, respectively.

Current ratio of the Group, represented by current assets as a percentage of current liabilities, amounted to approximately 1.0 times, 0.5 times and 0.5 times as at 31 December 2018, 2019 and 2020, respectively.

APPENDIX III MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

Gearing ratio of the Group was calculated based on total borrowings divided by total assets, amounted to approximately 48.2%, 53.4% and 60.8% as at 31 December 2018, 2019 and 2020, respectively.

Bank and other borrowings

The details of the Group's borrowings as at 31 December 2018, 2019 and 2020 are as follows:

	As at 31 December		
	2018	2019	2020
	HK\$'000	HK\$'000	HK\$'000
Secured trust receipt loans	6,889	—	—
Secured bank loans	285,807	183,656	180,128
Bank overdraft	1,029	—	—
Other borrowings	—	21,700	16,526
	<u> </u>	<u> </u>	<u> </u>
Total	<u>293,725</u>	<u>205,356</u>	<u>196,654</u>
Carrying amounts of the above borrowings that are repayable:			
On demand and within one year	121,020	133,200	128,026
In more than one year but not more than two years	94,093	—	—
In more than two years but not more than five years	14,813	—	—
More than five years	53,640	—	—
	<u> </u>	<u> </u>	<u> </u>
Total	<u>283,566</u>	<u>133,200</u>	<u>128,026</u>

APPENDIX III MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

	As at 31 December		
	2018	2019	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Carrying amount of bank and other borrowings that contains a repayment on demand clause (shown under current liabilities) and the maturity analysis based on the scheduled repayment dates set out in the loan agreements are:			
Within one year	10,159	2,990	3,881
In more than one year but not more than two years	—	3,112	3,934
In more than two years but not more than five years	—	10,119	12,129
More than five years	—	55,935	48,684
	<u>10,159</u>	<u>72,156</u>	<u>68,628</u>
Total	----- <u>10,159</u>	----- <u>72,156</u>	----- <u>68,628</u>
	<u>293,725</u>	<u>205,356</u>	<u>196,654</u>
Less: Amounts due within one year shown under current liabilities	<u>(131,179)</u>	<u>(205,356)</u>	<u>(196,654)</u>
Amounts shown under non-current liabilities	<u>162,546</u>	<u>—</u>	<u>—</u>

APPENDIX III MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

	As at 31 December		
	2018	2019	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Fixed rate:			
— 8%	—	21,700	16,526
Variable rates:			
— 1.3% to 1.5% over 1 month Hong Kong Interbank Offered Rate (“HIBOR”)	284,595	183,656	—
— 1.3% to 1.8% over 1 month HIBOR	—	—	180,128
— London Interbank Offered Rate plus 1.75% to 2.25%	6,889	—	—
— 1% over HK\$ prime rate	2,200	—	—
— 1% below HK\$ prime rate	41	—	—
	<u>293,725</u>	<u>205,356</u>	<u>196,654</u>

The range of effective interest rate per annum to the Group’s variable rate borrowings are as follows:

	As at 31 December		
	2018	2019	2020
Fixed rate borrowings	—	8%	8%
Variable rate borrowings	2.24% to 6.25%	3.28% to 3.66%	2.28% to 2.72%

The Group’s borrowings that are denominated in currency other than the functional currency of the relevant group entities are set out below:

	As at 31 December		
	2018	2019	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Denominated in US\$	<u>6,889</u>	<u>—</u>	<u>—</u>

As for the treasury policies, the objectives of the Remaining Group when managing capital are to safeguard the ability of the Remaining Group to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The Remaining Group generally finances its operations with internally generated resources and borrowings provided by banks. The Remaining Group endeavors to monitor its cash flow position, and to improve the cost-efficiency of funding initiatives by its treasury function.

APPENDIX III MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

The Remaining Group currently does not have any interest rate hedging policy in relation to such interest rate risk for the three years ended 31 December 2020. The Remaining Group would monitor its exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

Foreign Exchange Risk Management

The Group does not use any derivative financial instruments to hedge the foreign exchange risk. Instead, the Group manages the foreign exchange risk by closely monitoring the movement of the foreign currency rates and may, depending on the circumstances and trend of foreign currency, consider adopting significant foreign currency hedging policy in the future.

As at 31 December 2018, the Group was exposed to certain foreign exchange risk as the Group had bank balances in RMB of approximately RMB75.3 million (equivalent to approximately HK\$85.8 million), and in US\$ of approximately US\$0.8 million (equivalent to approximately HK\$5.8 million).

As at 31 December 2019, the Group was exposed to certain foreign exchange risk as the Group had bank balances in RMB of approximately RMB33.0 million (equivalent to approximately HK\$36.8 million), and in US\$ of approximately US\$0.1 million (equivalent to approximately HK\$0.9 million).

As at 31 December 2020, the Group was exposed to certain foreign exchange risk as the Group had bank balances in RMB of approximately RMB36.5 million (equivalent to approximately HK\$43.3 million), in S\$ of approximately S\$2.5 million (equivalent to approximately HK\$14.4 million), and in US\$ of approximately US\$0.5 million (equivalent to approximately HK\$4.3 million).

Employment and remuneration policy

As at 31 December 2018, 2019 and 2020, the Group had a total number of 765, 780, 604 full-time employees, respectively. Staff costs for continuing operations of the Group for the three years ended 31 December 2020 amounted to approximately HK\$127.2 million, HK\$117.0 million and HK\$107.1 million, respectively.

The key components of the Group's remuneration package include basic salary, and where appropriate, other allowances, incentive bonus, mandatory provident funds, state-managed retirement benefits scheme and share options under the share option scheme of the Company. The Group determined the remuneration packages of all employees based on factors including individual qualifications, contributions to the Group, performance and years of experience of the respective staff. The remuneration committee of the Company will review and determine the remuneration and compensation packages of the Directors and senior management of the Company with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

The Group operates a mandatory provident fund scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees.

The employees in Macau are members of the defined contribution retirement benefit plan. The subsidiary established in Macau is required to contribute Macanese Pataca 60 per month for each employee to the retirement benefit plan to fund the benefits.

APPENDIX III MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

The employees in the PRC are members of the state-managed retirement benefit scheme operated by the PRC government. The subsidiaries established in PRC are required to contribute a certain percentage of the salaries of its employees to the scheme. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

Charges on assets

As at 31 December 2018, 2019 and 2020, the Group had pledged certain assets, including leasehold land and buildings, under property, plant and equipment with a total carrying value of approximately HK\$238.1 million, HK\$295.0 million and HK\$272.5 million, respectively, for the purpose of securing certain banking and other facilities.

Contingent liabilities

As at 31 December 2018, 2019 and 2020, the Group did not have any material contingent liabilities.

Future plans for material investments and acquisition of material capital assets

The Group did not have any solid plans for material investments or acquisition of capital assets as at 31 December 2018, 2019 and 2020.

Significant investments, material acquisitions and disposals of subsidiaries and associated companies

Disposal of investment in Shanghai Pinzhi Medical Technology Development Co. Ltd. (上海品智醫療技術發展有限公司) (formerly known as Shanghai Pinzhi Investment Management Limited* (上海品智投資管理有限公司) (“Shanghai Pinzhi”))*

On 22 December 2017, the Group conditionally sold the entire 12.5% equity interest of Shanghai Pinzhi to Yantai Leteng Equity Investment Management Centre (Limited Partnership)* (煙台樂騰股權投資管理中心(有限合夥)) (“**Yantai Leteng LP**”), a limited partnership established in the PRC with a total capital of RMB150,000,000, in which the Group has 20% interest as a limited partner, for a consideration of RMB50,000,000. All conditions precedent have been fulfilled and the completion of the disposal took place on 25 June 2018. In compliance with Hong Kong Financial Reporting Standards 9 “Financial Instruments”, the intrinsic gain (before tax) of RMB25,000,000 from the disposal was credited to the retained profits and deferred tax liabilities, rather than profit or loss. For details, please refer to Company’s announcements dated 22 December 2017 and 25 June 2018.

Participation in formation of Guangdong Shucheng Technology Co., Ltd.* (廣東數程科技有限公司) (“Guangdong Shucheng”)

On 26 April 2018, the Group entered into a shareholders’ agreement with eight leading supply chain enterprises or its subsidiaries in the PRC (comprising Shenzhen Easttop Supply Chain Management Co., Ltd.* (深圳市東方嘉盛供應鏈股份有限公司), Shenzhen Feima International Supply Chain Co., Ltd.* (深圳市飛馬國際供應鏈股份有限公司), Shenzhen China South City Investment Co., Ltd.* (深圳華南城投資有限公司), Shenzhen China Brilliant Investment Holding Co., Ltd.* (深圳市朗華投資控股有限公司), Shenzhen Procto Supply Chain Management Co., Ltd.* (深圳市普路通供應鏈管理股份有限公司), Shenzhen S.F. Investment Co., Ltd.* (深圳市順豐投資有限公司), Shenzhen Eternal Asia Supply Chain Management Co., Ltd.* (深圳市怡亞通供應鏈股份有限公司), and Shenzhen YH Global Supply Chain Co., Ltd.* (深圳越海全球供應鏈有限公司)), in relation to the formation of the joint venture engaging in supply chain big data business, namely Guangdong Shucheng pursuant to which, the Group agreed to contribute approximately RMB11,111,000 (equivalent to approximately HK\$12,652,000) to Guangdong Shucheng, representing approximately 11.11% of the entire registered capital of the Guangdong Shucheng. On 7 September 2018, the Group fulfilled the commitment of capital contribution. As at 31 December 2018 and 2019, capital contribution to Guangdong Shucheng was outstanding from two shareholders, therefore the Group shared 14.3% of the net assets of Guangdong Shucheng, which was equivalent to its proportion of capital contribution as at 31 December 2018 and 2019. For details, please refer to Company’s announcement dated 26 April 2018.

During the year ended 31 December 2020, a shareholder of Guangdong Shucheng contributed RMB11,111,000 (equivalent to approximately HK\$12,433,000) to Guangdong Shucheng, resulting in a dilution of the Group’s share of net assets of Guangdong Shucheng to 12.50%.

Transaction of equity interest in Chongqing Global E-commerce Co., Ltd.* (重慶格洛博電子商務有限公司) (“Geluobo”)

On 8 August 2018, the Group, by way of capital injection, acquired 7% of the enlarged equity interest in Geluobo for a consideration of RMB10,500,000. The investment in Geluobo was accounted for as fair value through profit or loss. Geluobo is a fast-growing e-commerce company selling fast fashion accessories through major social media platforms and its own website in South East Asia region. Since all applicable percentage ratios in relation to this investment were below 5%, the Company did not publish an announcement for the investment.

On 7 August 2020, Zhuhai Tempus Jinyue Investment Limited* (珠海騰邦金躍投資有限公司) (“**Tempus Jinyue**”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the “**S&P I**”) with two independent third parties (the “**Purchaser X**” and “**Purchaser Y**”, collectively, the “**Purchasers Z**”), pursuant to which Tempus Jinyue has agreed to sell and the Purchasers Z have agreed to acquire collectively the equity interest of approximately 1.75% held by Tempus Jinyue in Geluobo, for a total consideration of approximately RMB2,213,000 (equivalent to approximately HK\$2,476,000). On 20 August 2020, Tempus Jinyue entered into a sale and purchase agreement (the “**S&P II**”) with an independent third party (the “**Purchaser W**”), pursuant to which Tempus Jinyue has agreed to sell and Purchaser W has agreed to acquire the equity interest of approximately 1.10% held by Tempus Jinyue in Geluobo, for a consideration of approximately RMB1,390,000 (equivalent to approximately HK\$1,555,000). Upon completion of S&P I and S&P II, Tempus Jinyue continued to hold approximately 3.80% of the entire equity interest of Geluobo.

APPENDIX III MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

Further acquisition of 17% equity interest in Shenzhen Tempus Value Chain Co. Ltd. (深圳市騰邦價值鏈股份有限公司) (“SZ Tempus Value Chain”)*

On 12 October 2018, the Group further acquired 17% equity interest in SZ Tempus Value Chain from Shenzhen Tengbang Value Chain Equity Investment Partnership Corporation (limited partnership)* (深圳騰邦價值鏈股權投資合夥企業(有限合夥)), an associate of Mr. Zhong Baisheng, chairman of the Board and non-executive Director, for a cash consideration of HK\$17,000,000. The Company’s aggregate percentage holding in SZ Tempus Value Chain has increased to 78.75% upon completion of the aforesaid acquisition. For details, please refer to Company’s announcement dated 12 October 2018.

Disposal of Investment in Yundongli (Tianjin) Electronic Commerce Company Limited (雲動力(天津)電子商務有限公司) (“Yundongli”)*

On 28 December 2018, Tempus Jinyue entered into a repurchase agreement (“**Repurchase Agreement**”) with Mr. Wang Xiaowei (王嘯巍), Mr. Peng Biao (彭彪) and Tianjin Yuncheng Corporate Management LLP* (天津市雲橙企業管理合夥企業(有限合夥)) (collectively, the “**Purchasers A**”), pursuant to which Tempus Jinyue agreed to sell and the Purchasers A agreed to repurchase the 12% equity interest of Yundongli, for a consideration of RMB67,220,000. The Company has been actively following up on the payment of the consideration for the disposal since the completion of the disposal on 28 December 2018. Upon the expiry of the time extension of the settlement of the last instalment of the consideration, on 27 March 2019, Tempus Jinyue, the Purchasers A and Yundongli entered into a supplemental agreement to the Repurchase Agreement (the “**Supplemental Agreement**”) to extend the payment deadline of the outstanding consideration. On 27 March 2019, the Company and Mr. Wang Xiaowei (王嘯巍) entered into an equity interest pledge agreement pursuant to which Mr. Wang Xiaowei (王嘯巍) agreed to pledge a total of 12% equity interest in Yundongli held by him in favour of Tempus Jinyue as security for the Purchasers A’s fulfilment of their payment obligation under the Supplemental Agreement. As of 22 November 2019, i.e. the deadline of full payment as stipulated in the Supplemental Agreement, the outstanding consideration which had to be settled was amounted to RMB19,810,000 (the “**Receivables**”). On 22 January 2020, Tempus Jinyue, the Purchasers A and Ms. Zheng Meiling (鄭美玲) (the “**Transferee**”) entered into an agreement in respect of the assignment of the Receivables from Tempus Jinyue to the Transferee for a total consideration of RMB15,850,000. As at the date of this circular, RMB15,850,000 of the total consideration was received by the Group. For details, please refer to the Company’s announcements dated 28 December 2018, 2 January 2019, 28 March 2019, 22 January 2020 and 30 January 2020.

Disposal of entire equity interests in KK II (BVI) Limited

On 29 May 2019, Tempus (BVI) Properties Investment Limited (the “**Vendor B**”), a wholly-owned subsidiary of the Company, entered into a provisional sale and purchase agreement with Talent Realty Limited, an independent third party (the “**Purchaser B**”) and the Company (as guarantor for the performance of the obligations of the Vendor B under the provisional sale and purchase agreement), pursuant to which the Vendor B conditionally agreed to sell and the Purchaser B conditionally agreed to purchase the entire issued share capital of KK II (BVI) Limited (the “**Target Company X**”), and all such sum of money due and owing by the Target Company X to the Vendor B as at completion of the transaction, for an initial consideration of HK\$122,268,000 to be adjusted with reference to the net tangible asset value of the Target Company X as at the completion date. The deposit of HK\$20,000,000 has been paid by the Purchaser B upon the signing of the provisional sale and purchase agreement, and the balance of the consideration, being HK\$102,268,000, as adjusted with reference to the net tangible asset value of the Target Company X as at completion date, was paid by the Purchaser B on completion. Upon completion, the Target Company X ceased to be a subsidiary of the Company. For details, please refer to the Company’s announcements dated 29 May 2019 and 23 July 2019, and the circular dated 19 July 2019.

Disposal of a commercial property and a residential property in Hong Kong

On 5 July 2019, OTO Bodycare (H.K.) Limited, a wholly-owned subsidiary of the Company, entered into provisional agreements with two independent third parties, in relation to the sale and purchase of a commercial property and a residential property in Hong Kong for considerations of HK\$10,620,000 and HK\$10,800,000, respectively. Each purchaser to the provisional agreements has paid a deposit of HK\$5,000,000 upon the signing of the provisional agreements, and the balances of the considerations, being HK\$5,620,000 and HK\$5,800,000 for the commercial property and the residential property, respectively, were paid on completion. The transactions have been completed on 7 August 2019. For details, please refer to the Company’s announcement dated 5 July 2019.

Partial disposal of shareholding in Tempus Sky Enterprises Limited (“Tempus Sky”)

On 6 August 2019, OTO (BVI) Investment Limited (the “**Vendor C**”), the Company’s direct wholly-owned subsidiary and an independent third party (the “**Purchaser C**”) entered into a sale and purchase agreement, pursuant to which the Vendor C has conditionally agreed to sell and the Purchaser C has conditionally agreed to acquire 2,000 ordinary shares of HK\$1 each in Tempus Sky, representing approximately 14.93% of the entire issued share capital of Tempus Sky, the Company’s indirect non-wholly owned subsidiary, for a consideration of HK\$3,000,000. HK\$1,500,000 has been paid to the Vendor C as earnest money and such amount has been converted into deposit upon signing of the sale and purchase agreement, and the balance of the consideration has been received before the completion date. Upon completion, Vendor C shall continue to hold approximately 36.56% of the entire issued share capital of Tempus Sky. Tempus Sky shall cease to be a subsidiary of the Company and shall be accounted for as an associate of the Company using equity method. The financial results of Tempus Sky and its subsidiaries shall no longer be consolidated into the financial statements of the Group after completion of the aforesaid disposal. The transaction has been completed on 19 August 2019. For details, please refer to the Company’s announcement dated 6 August 2019.

Disposal of Shenzhen Qianhai Tempus Value Chain Limited* (深圳前海騰邦價值鏈有限公司)
(“Qianhai Value Chain”)

On 30 December 2019, Shenzhen Tempus Value Chain Co., Ltd.* (深圳市騰邦價值鏈股份有限公司) (the “**Vendor D**”), the Company’s direct non-wholly owned subsidiary and Shenzhen Youxingxin Logistics Co., Ltd. * (深圳市友興昕物流有限公司), an independent third party (the “**Purchaser D**”), entered into a sale and purchase agreement, pursuant to which the Vendor D has agreed to sell and the Purchaser D has agreed to acquire the equity interest, representing the entire equity interest held by the Vendor D in Qianhai Value Chain, for a consideration of approximately RMB47,700,000 (equivalent to approximately HK\$53,100,000) (the “**Consideration**”), where RMB22,000,000 (equivalent to approximately HK\$24,500,000) shall be settled by way of cash payment to the Vendor D, and RMB25,700,000 (equivalent to approximately HK\$28,600,000) shall be settled by the Purchaser D taking up debts of the Vendor D of RMB25,700,000 (equivalent to approximately HK\$28,600,000). According to the sale and purchase agreement, the Purchaser D agreed to settle RMB4,000,000 (equivalent to approximately HK\$4,453,000) on 31 December 2019. The remaining of the consideration amounting to RMB12,000,000 (equivalent to approximately HK\$13,358,000) shall be satisfied by cash payment by three instalments, RMB2,000,000 (equivalent to approximately HK\$2,226,000) shall be paid on the day after the registration at the Administrative for Industry and Commerce in the PRC in respect of the transfer of entire equity interest of the Qianhai Value Chain, RMB5,000,000 (equivalent to approximately HK\$5,566,000) shall be settled on or before 29 February 2020 and RMB5,000,000 (equivalent to approximately HK\$5,566,000) shall be settled on or before 31 May 2020. As at the date of this circular, RMB22,000,000 of the cash consideration was received by the Group. For details, please refer to the Company’s announcements dated 30 December 2019 and 3 January 2020.

Deemed disposal of Yantai Leteng LP

On 29 November 2017, Yantai Tengbang Investment Management Co., Ltd.* (煙台騰邦股權投資管理有限公司) (“**Yantai Tengbang**”), Tempus OTO (Shenzhen) Health Industry Limited (騰邦豪特(深圳)大健康產業有限公司) (“**Tempus OTO (Shenzhen)**”), an indirect wholly-owned subsidiary of the Company and two other independent third parties established Yantai Leteng LP, a limited partnership established in the PRC, for the purpose of having capital appreciation by acquiring companies in the segments of healthcare, consumption upgrade, science and technology manufacturing and trading and logistics. Upon the completion of the capital contribution from all shareholders, the Group will hold 20% of equity interest in Yantai Leteng LP. Tempus OTO (Shenzhen) and one of the shareholders of Yantai Leteng LP, each contributed RMB30,000,000 (equivalent to approximately HK\$36,023,000) to Yantai Leteng LP during the year ended 31 December 2017. As at 31 December 2017, capital contribution to Yantai Leteng LP was outstanding from three shareholders, therefore the Group shared 50% of the net assets of Yantai Leteng LP, which was equivalent to its proportion of capital contribution as at 31 December 2017.

APPENDIX III MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

During the year ended 31 December 2018, a shareholder of Yantai Leteng LP contributed RMB30,000,000 (equivalent to approximately HK\$35,610,000) to Yantai Leteng LP, resulting in a dilution of the Group's share of net assets of Yantai Leteng LP to 33.3%. Therefore, Yantai Leteng LP is account for an associate of the Group.

During the year ended 31 December 2019, Yantai Tengbang contributed RMB1,000,000 to Yantai Leteng LP, resulting in further dilution of the Group's share of net assets of Yantai Leteng LP from 33.3% to 33%.

Save as disclosed herein, during the three years ended 31 December 2020, the Remaining Group had not carried out any material acquisition or disposal of subsidiary or associate company or make any significant investments not in the ordinary and usual course of business of the Remaining Group.

* *For identification purposes only*

**A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING
GROUP****Introduction to the unaudited pro forma financial information**

The following is the unaudited pro forma financial information of Tempus Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) upon the completion of the disposal of the entire issued share capital of and loans to KK VII (BVI) Limited (the “Target Company A”) and KK VIII (BVI) Limited (the “Target Company B”) (collectively referred to “Target Companies”) (the “Disposal”) (the “Remaining Group”), comprising the unaudited pro forma consolidated statement of financial position as at 31 December 2020, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2020 and related notes, which have been prepared by the directors of the Company in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The unaudited pro forma financial information of the Remaining Group has been prepared to illustrate the effects of the completed Disposal on the financial position of the Group as at 31 December 2020 as if the Disposal had been completed on 31 December 2020, and the Group’s financial performance and cash flows for the year ended 31 December 2020 as if the Disposal had been completed on 1 January 2020. Details of the Disposal are set out in the “Letter from the Board” contained in the circular dated 19 August 2021 (the “Circular”) issued by the Company.

The unaudited pro forma financial information has been prepared for illustrative purposes only and is based on certain assumptions, estimates, uncertainties and other currently available information. Accordingly, and because of its hypothetical nature, the unaudited pro forma financial information of the Remaining Group may not give a true picture of the financial position, financial performance or cash flows of the Remaining Group following the completion of the Disposal. Further, the unaudited pro forma financial information of the Remaining Group does not purport to predict the Group’s future financial position, financial performance or cash flows.

The unaudited pro forma financial information of the Remaining Group has been prepared based upon the audited consolidated statement of financial position of the Group as at 31 December 2020, the audited consolidated statement of profit or loss and other comprehensive income and audited consolidated statement of cash flows of the Group dated 31 March 2021 for the year ended 31 December 2020, which have been extracted from the published annual report of the Group for the year ended 31 December 2020 after taking pro forma adjustments as summarised in the accompanying notes that are directly attributable to the Disposal, factually supportable and clearly identified as to those have no continuing effect on the Group.

Furthermore, the unaudited pro forma financial information does not purport to predict the Remaining Group’s future results of operations, financial positions or cash flows. The unaudited pro forma financial information should be read in conjunction with the financial information of the Group as set out in Appendix I to this circular, the published annual report of the Group dated 31 March 2021 for the year ended 31 December 2020, the financial information of the Target Companies as set out in Appendix IIA and Appendix IIB to this circular, the Company’s announcement dated 30 June 2021 and other financial information included elsewhere in this circular. The unaudited pro forma financial information does not take into account any trading or other transactions subsequent to the dates of the respective financial statements of the companies comprising the Remaining Group.

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**
**1. Unaudited pro forma consolidated statement of financial position of the Remaining
Group as at 31 December 2020**

	Pro forma adjustments					The
	The Group	Pro forma adjustments				Remaining
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	Group
Note 1	Note 2(i)	Note 2 (ii)	Note 3	Note 4	HK\$'000	
Non-current assets						
Property, plant and equipment	298,450	(132,069)	(140,677)	—	—	25,704
Right-of-use assets	55,080	—	—	—	—	55,080
Investments in associates	10,284	—	—	—	—	10,284
Financial asset at fair value through profit and loss	5,701	—	—	—	—	5,701
Utility and other deposits paid	4,976	—	—	—	—	4,976
	<u>374,491</u>	<u>(132,069)</u>	<u>(140,677)</u>	<u>—</u>	<u>—</u>	<u>101,745</u>
Current assets						
Inventories	35,606	—	—	—	—	35,606
Trade, bills and other receivables	89,428	(146)	(15)	—	—	89,267
Utility and other deposits paid	13,749	(91)	(121)	—	—	13,537
Tax recoverable	37	—	—	—	—	37
Financial assets at fair value through profit or loss	1,720	—	—	—	—	1,720
Pledged bank deposits	1,418	—	—	—	—	1,418
Bank balances and cash	118,526	(36)	(27)	66,438	—	184,901
	<u>260,484</u>	<u>(273)</u>	<u>(163)</u>	<u>66,438</u>	<u>—</u>	<u>326,486</u>
Current liabilities						
Trade and other payables	83,232	(157)	(52)	—	—	83,023
Contract liabilities	16,105	—	—	—	—	16,105
Amounts due to the remaining Group	—	(80,920)	(85,804)	—	166,724	—
Amount due to ultimate holding company	51	—	—	—	—	51
Amount due to an intermediate holding company	131	—	—	—	—	131
Amount due to immediate holding company	600	—	—	—	—	600
Lease liabilities	33,241	—	—	—	—	33,241
Tax payable	992	—	—	—	—	992

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

	Pro forma adjustments					The Remaining Group
	The Group					
	HK\$'000 <i>Note 1</i>	HK\$'000 <i>Note 2(i)</i>	HK\$'000 <i>Note 2 (ii)</i>	HK\$'000 <i>Note 3</i>	HK\$'000 <i>Note 4</i>	HK\$'000
Bank and other borrowings — due within one year	196,654	—	—	(180,128)	—	16,526
Convertible bonds	<u>189,469</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>189,469</u>
	<u>520,475</u>	<u>(81,077)</u>	<u>(85,856)</u>	<u>(180,128)</u>	<u>166,724</u>	<u>340,138</u>
Net current liabilities	<u>(259,991)</u>	<u>80,804</u>	<u>85,693</u>	<u>246,566</u>	<u>(166,724)</u>	<u>(13,652)</u>
Total assets less current liabilities	<u>114,500</u>	<u>(51,265)</u>	<u>(54,984)</u>	<u>246,566</u>	<u>(166,724)</u>	<u>88,093</u>
Non-current liabilities						
Lease liabilities	<u>23,451</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>23,451</u>
Net assets	<u>91,049</u>	<u>(51,265)</u>	<u>(54,984)</u>	<u>246,566</u>	<u>(166,724)</u>	<u>64,642</u>
Equity attributable to ordinary shareholders of the Company						
Share capital	27,231	—	—	—	—	27,231
Other reserves	221,058	—	—	—	—	221,058
Accumulated losses	<u>(184,382)</u>	<u>(51,265)</u>	<u>(54,984)</u>	<u>246,566</u>	<u>(166,724)</u>	<u>(210,789)</u>
	63,907	(51,265)	(54,984)	246,566	(166,724)	37,500
Non-controlling interests	<u>27,142</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>27,142</u>
Total equity	<u>91,049</u>	<u>(51,265)</u>	<u>(54,984)</u>	<u>246,566</u>	<u>(166,724)</u>	<u>64,642</u>

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**
2. Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group for the year ended 31 December 2020

	The Group HK\$'000	Pro forma adjustments			The Remaining Group HK\$'000
		HK\$'000 Note 5(A)(i)	HK\$'000 Note 5(A)(ii)	HK\$'000 Note 6(a)	
Revenue	403,407	—	—	—	403,407
Cost of sales	(200,698)	—	—	—	(200,698)
Gross profit	202,709	—	—	—	202,709
Other income	15,977	(664)	—	—	15,313
Other losses - net	(30,366)	4,434	11,975	(48,099)	(62,056)
Reversal of impairment losses on financial assets	21,724	—	—	—	21,724
Impairment losses on financial assets	(1,554)	332	—	—	(1,222)
Share of results of associates	(5,174)	—	—	—	(5,174)
Selling and distribution expenses	(168,185)	—	—	—	(168,185)
Administrative expenses	(76,174)	3,521	3,878	—	(68,775)
Operating loss	(41,043)	7,623	15,853	(48,099)	(65,666)
Finance costs	(38,906)	757	786	—	(37,363)
Loss before tax	(79,949)	8,380	16,639	(48,099)	(103,029)
Income tax expenses	(1,439)	—	(223)	—	(1,662)
Loss for the year	(81,388)	8,380	16,416	(48,099)	(104,691)
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
— Exchange differences arising on translation of foreign operations	12,023	—	—	—	12,023
Total comprehensive loss for the year	<u>(69,365)</u>	<u>8,380</u>	<u>16,416</u>	<u>(48,099)</u>	<u>(92,668)</u>
Loss attributable to:					
— Ordinary shareholders of the Company	(82,192)	8,380	16,416	(48,099)	(105,495)
— Non-controlling interests	804	—	—	—	804
	<u>(81,388)</u>	<u>8,380</u>	<u>16,416</u>	<u>(48,099)</u>	<u>(104,691)</u>
Total comprehensive loss for the year attributable to:					
— Ordinary shareholders of the Company	(71,854)	8,380	16,416	(48,099)	(95,157)
— Non-controlling interests	2,489	—	—	—	2,489
	<u>(69,365)</u>	<u>8,380</u>	<u>16,416</u>	<u>(48,099)</u>	<u>(92,668)</u>

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**
**3. Unaudited pro forma consolidated statement of cash flows of the Remaining Group for
the year ended 31 December 2020**

	Pro forma adjustments				The
	The Group	Pro forma adjustments			Remaining
	HK\$'000 Note 1	HK\$'000 Note 5(B)(i)	HK\$'000 Note 5(B)(ii)	HK\$'000 Note 6(b)	Group HK\$'000
Cash flows from operating activities					
Loss before tax	(79,949)	8,380	16,639	(48,099)	(103,029)
Adjustments for:					
- Depreciation of property, plant and equipment	17,054	(2,928)	(3,212)	—	10,914
- Depreciation of right-of-use assets	41,815	—	—	—	41,815
- Share of results of associates	5,174	—	—	—	5,174
- Finance costs	38,906	(757)	(786)	—	37,363
- Loss on fair value change of financial assets at fair value through profit or loss	14,164	—	—	—	14,164
- Loss on disposal of subsidiaries	—	—	—	48,099	48,099
- Reversal of impairment losses on financial assets	(21,724)	—	—	—	(21,724)
- Impairment losses on financial assets	1,554	(332)	—	—	1,222
- Impairment losses on inventories	622	—	—	—	622
- Impairment losses on property, plant and equipment	16,409	(4,434)	(11,975)	—	—
- Bank interest income	(364)	—	—	—	(364)
Change in working capital:					
- Inventories	(2,799)	—	—	—	(2,799)
- Trade, bills and other receivables	44,058	468	2	—	44,528
- Utility and other deposits paid	2,026	—	—	—	2,026
- Trade and other payables	(3,753)	245	361	—	(3,147)
- Contract liabilities	4,083	—	—	—	4,083
Cash generated from operations	77,276	642	1,029	—	78,947
Income tax paid	(368)	—	(272)	—	(640)
Net cash generated from operating activities	76,908	642	757	—	78,307

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

	Pro forma adjustments				The Remaining Group
	The Group				Group
	<i>HK\$'000</i> <i>Note 1</i>	<i>HK\$'000</i> <i>Note 5(B)(i)</i>	<i>HK\$'000</i> <i>Note 5(B)(ii)</i>	<i>HK\$'000</i> <i>Note 6(b)</i>	<i>HK\$'000</i>
Cash flows from investing activities					
Placement of bank deposits with original maturity over three months	(3,000)	—	—	—	(3,000)
Purchase of financial assets at fair value through profit or loss	(5,065)	—	—	—	(5,065)
Proceeds from disposal of financial assets at fair value through profit or loss	6,837	—	—	—	6,837
Proceeds from disposal of subsidiaries, net of cash and bank balances disposed of	—	—	—	246,616	246,616
Proceeds from disposal of an associate	17,735	—	—	—	17,735
Net cash inflow from disposal of subsidiaries	13,427	—	—	—	13,427
Bank interest received	364	—	—	—	364
Additions of property, plant and equipment	(6,306)	218	99	—	(5,989)
Withdrawal of pledged bank deposits	1,986	—	—	—	1,986
	<u>25,978</u>	<u>218</u>	<u>99</u>	<u>246,616</u>	<u>272,911</u>
Net cash generated from investing activities					
Cash flows from financing activities					
Interest paid	(6,088)	—	—	—	(6,088)
Redemption of convertible bonds	(11,000)	—	—	—	(11,000)
Repayments of bank and other borrowings	(40,608)	—	—	(183,656)	(224,264)
Advances from the Remaining Group	—	(887)	(870)	—	(1,757)
New bank and other borrowings raised	31,906	—	—	—	31,906
Repayments of lease liabilities	(44,804)	—	—	—	(44,804)
	<u>(70,594)</u>	<u>(887)</u>	<u>(870)</u>	<u>(183,656)</u>	<u>(256,007)</u>
Net cash used in financing activities					
Net increase in cash and cash equivalents	32,292	(27)	(14)	62,960	95,211
Cash and cash equivalents at beginning of the financial year	73,340	(9)	(13)	—	73,318
Effect of foreign exchange rate changes	9,894	—	—	—	9,894
	<u>115,526</u>	<u>(36)</u>	<u>(27)</u>	<u>62,960</u>	<u>178,423</u>
Cash and cash equivalents at end of year					
Analysis of the balances of bank balances and cash					
Bank deposits with original maturity within three months and cash	115,526	(36)	(27)	62,960	178,423
Bank deposits with original maturity over three months	3,000	—	—	—	3,000
	<u>118,526</u>	<u>(36)</u>	<u>(27)</u>	<u>62,960</u>	<u>181,423</u>

NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING
GROUP

- The amounts are extracted from the published annual report of Tempus Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at and for the year ended 31 December 2020.
- These adjustments represent the exclusion of assets and liabilities of KK VII (BVI) Limited (the “Target Company A”) and KK VIII (BVI) Limited (the “Target Company B”) (collectively referred to as the “Target Companies”) to be disposed of as at 31 December 2020 assuming the Group upon the completion of the disposal of entire issued share capital of and loan to Target Companies (the “Disposal”) was completed on 31 December 2020. The amounts have been extracted from the Unaudited Financial Information of the Target Company A and the Unaudited Financial Information of the Target Company B as at 31 December 2020 except for the following items with reconciliation as follows:

A reconciliation of the statement of financial position of the Target Companies is shown below:

	<i>Notes</i>	Target Company A as per Appendix IIA HK\$'000	Target Company A HK\$'000 (i)
Non-current asset			
Investment properties	(a)	131,900	—
Property, plant and equipment	(a)	<u>—</u>	<u>132,069</u>
		<u>131,900</u>	<u>132,069</u>
Current assets			
Trade, bills and other receivables		146	146
Utility and other deposits paid		91	91
Amount due from a fellow subsidiary		—	—
Bank balances and cash		<u>36</u>	<u>36</u>
		<u>273</u>	<u>273</u>

APPENDIX IV

**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

	<i>Notes</i>	Target Company A as per Appendix IIA HK\$'000	Target Company A HK\$'000 (i)
Current liabilities			
Trade and other payables		157	157
Amount due to immediate holding company	(b)	83,167	—
Amount due to an intermediate holding company	(b)	333	—
Amount due to a fellow subsidiary	(b)	4	—
Amounts due to the Remaining Group	(b)	—	80,920
		<u>83,661</u>	<u>81,077</u>
Non-current liability			
Deferred taxation		<u>221</u>	<u>—</u>
Net assets		<u>48,291</u>	<u>51,265</u>

	<i>Notes</i>	Target Company B as per Appendix IIB HK\$'000	Target Company B HK\$'000 (ii)
Non-current asset			
Investment properties	(a)	140,600	—
Property, plant and equipment	(a)	—	140,677
		<u>140,600</u>	<u>140,677</u>
Current assets			
Trade, bills and other receivables		15	15
Utility and other deposits paid		121	121
Amounts due from a fellow subsidiary	(b)	4	—
Amount due from an intermediate holding company	(b)	2,362	—
Bank balances and cash		<u>27</u>	<u>27</u>

	<i>Notes</i>	Target Company B as per Appendix IIB HK\$'000	Target Company B HK\$'000 (ii)
		<u>2,529</u>	<u>163</u>
Current liabilities			
Trade and other payables		52	52
Amount due to immediate holding company	(b)	91,953	—
Amounts due to the Remaining Group	(b)	<u>—</u>	<u>85,804</u>
		<u>92,005</u>	<u>85,856</u>
Non-current liability			
Deferred taxation		<u>659</u>	<u>—</u>
Net assets		<u><u>50,465</u></u>	<u><u>54,984</u></u>

Notes:

- (a) In the Unaudited Financial Information of the Target Company A and the Unaudited Financial Information of the Target Company B (Appendix IIA and IIB), the properties are classified as investment properties and are stated at fair value. In the consolidated financial statements of the Group, the properties are classified as property, plant and equipment and are stated at cost less accumulated depreciation and accumulated impairment losses.
- (b) The amount due to immediate holding company, amount due from/(to) an intermediate holding company and amount due from/(to) a fellow subsidiary in the Unaudited Financial Information of the Target Company A and the Unaudited Financial Information of the Target Company B (Appendix IIA and IIB) are reclassified as amounts due to the Remaining Group upon completion of Disposal. The difference represents impairment loss on the amounts due from the Remaining Group in the Unaudited Financial Information of the Target Company A and the Unaudited Financial Information of the Target Company B that were eliminated in the consolidated financial statements of the Group.

APPENDIX IV**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

3. These adjustments assume the total consideration payable by Yi Feng Development Limited (the “Purchaser”) to the Remaining Group for the acquisition of the sale shares and the Remaining Group’s loans pursuant to the sale and purchase agreement (the “Consideration”) is satisfied in cash in the amount as shown below, as if the Disposal had been completed on 31 December 2020:

	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Consideration			250,000
Adjustments for the Consideration:			
Add: Utility deposits, management fee deposits		212	
Cash and bank balance		63	
Less: Other payables		<u>(209)</u>	<u>66</u>
Adjusted Consideration			250,066
Less: Repayment of bank borrowings of the Company	(a)	(180,128)	
Estimated expenses directly attributable to the Disposal	(b)	<u>(3,500)</u>	<u>(183,628)</u>
Estimated cash flow from the Disposal			<u><u>66,438</u></u>

The actual amounts of the adjusted Consideration and the gain/loss on the Disposal recorded in “retained profits” can only be determined at the date of completion of the sale and purchase agreement and the Disposal contemplated thereunder (the “Completion”), which may be substantially different from the estimated amounts used in the preparation of the unaudited pro forma financial information.

Notes:

- (a) The amount is extracted from the audited consolidated statement of financial statements, as set out in the published annual report of the Company for the year ended 31 December 2020 dated 31 March 2021.
- (b) The estimated expenses directly attributable to the Disposal represents costs and expenses directly incurred for the Disposal of HK\$3,500,000 which will be borne by the Group and are assumed to be settled in cash.
4. All the interests, benefits and rights of and in the Remaining Group’s loan owed by the Target Companies to the Remaining Group as at the date of Completion (the “Sale Loans”) is transferred to the Purchaser from the Remaining Group.

5. These adjustments represent the exclusion of the results and cash flows of the Target Companies to be disposed of for the year ended 31 December 2020 assuming the Disposal was completed on 1 January 2020. The amounts have been extracted from the Unaudited Financial Information of the Target Company A and the Unaudited Financial Information of the Target Company B for the year ended 31 December 2020 as set forth in Appendix IIA and Appendix IIB respectively of this circular except for the following items with reconciliation as follows:

- (A) A reconciliation of the statement of profit or loss and other comprehensive income of the Target Companies is shown below:

	<i>Notes</i>	Target Company A as per Appendix IIA HK\$'000	Target Company A HK\$'000 (i)
Other income		664	664
Change in fair value of investment properties	(a)	(15,018)	—
Other losses, net	(a)	—	(4,434)
Impairment losses on financial assets	(b)	(2,916)	(332)
Administrative expenses	(a)	<u>(593)</u>	<u>(3,521)</u>
Operating loss		(17,863)	(7,623)
Finance costs		<u>(757)</u>	<u>(757)</u>
Loss before tax		(18,620)	(8,380)
Income tax credit		<u>45</u>	<u>—</u>
Total comprehensive loss for the year		<u><u>(18,575)</u></u>	<u><u>(8,380)</u></u>

APPENDIX IV**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

	<i>Notes</i>	Target Company B as per Appendix IIB HK\$'000	Target Company B HK\$'000 (ii)
Change in fair value of investment properties	(a)	(14,699)	—
Other losses, net	(a)	—	(11,975)
Impairment losses on financial assets	(b)	(3,782)	—
Administrative expenses	(a)	<u>(666)</u>	<u>(3,878)</u>
Operating loss		(19,147)	(15,853)
Finance costs		<u>(786)</u>	<u>(786)</u>
Loss before tax		(19,933)	(16,639)
Income tax expense		<u>(60)</u>	<u>223</u>
Total comprehensive loss for the year		<u><u>(19,993)</u></u>	<u><u>(16,416)</u></u>

Notes:

- (a) As described in note 2(a) above, in the Unaudited Financial Information of the Target Company A and Unaudited Financial Information of the Target Company B (Appendix IIA and IIB), there were change in fair value of investment properties of HK\$15,018,000 and HK\$14,699,000 respectively. In consolidated financial statements, there were an impairment loss on property, plant and equipment of HK\$4,434,000 and HK\$11,975,000 included in other losses, net and a depreciation expense of HK\$2,928,000 and HK\$3,212,000 included in administrative expenses in relation to the properties held by the Target Company A and the Target Company B respectively.
- (b) The difference represents the impairment loss on amount due from Remaining Group that were eliminated in the consolidated financial statements of the Group.

(B) A reconciliation of the cash flows of the Target Companies is shown below:

	<i>Notes</i>	Target Company A as per Appendix IIA HK\$'000	Target Company A HK\$'000 (i)
Cash flows from operating activities			
Loss before tax	5(A)	(18,620)	(8,380)
Adjustments for:			
- Depreciation of property, plant and equipment	5(A)(a)	—	2,928
- Impairment losses on property, plant and equipment	5(A)(a)	—	4,434
- Changes in fair value of investment properties	5(A)(a)	15,018	—
- Impairment losses on financial asset	5(A)(b)	2,916	332
- Finance cost		757	757
Change in working capital:			
- Trade, bills and other receivables		(468)	(468)
- Decrease/(increase) in amounts due from fellow subsidiaries	2(b)	83	—
- Trade and other payables		<u>(245)</u>	<u>(245)</u>
Net cash generated from operating activities		<u>(559)</u>	<u>(642)</u>
Cash flows from investing activities			
Addition of investment properties/property, plant and equipment		(218)	(218)
Decrease in amount due from an intermediate holding company	2(b)	<u>467</u>	<u>—</u>
Net cash used in investing activities		<u>249</u>	<u>(218)</u>
Cash flows from financing activities			
Repayment to an intermediate holding company	2(b)	333	—
Repayment to a fellow subsidiary	2(b)	4	—
Advances from the Remaining Group		<u>—</u>	<u>887</u>

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

	<i>Notes</i>	Target Company A as per Appendix IIA HK\$'000	Target Company A HK\$'000 (i)
Net cash used in financing activities		337	887
Net increase in cash and cash equivalents		27	27
Cash and cash equivalents at beginning of the financial year		9	9
Cash and cash equivalents at end of year		<u>36</u>	<u>36</u>
	<i>Notes</i>	Target Company B as per Appendix IIB HK\$'000	Target Company B HK\$'000 (ii)
Cash flows from operating activities			
Loss before tax	5(A)	(19,933)	(16,639)
Adjustments for:			
- Depreciation of property, plant and equipment	5(A)(a)	—	3,212
- Impairment losses on property, plant and equipment	5(A)(a)	—	11,975
- Changes in fair value of investment properties	5(A)(a)	14,699	—
- Impairment losses on financial asset	5(A)(b)	3,782	—
- Interest expense		786	786
Change in working capital:			
- Trade, bills and other receivables		(2)	(2)
- Trade and other payables		<u>(361)</u>	<u>(361)</u>
Cash generated from operating activities		(1,029)	(1,029)
Income tax refund		<u>272</u>	<u>272</u>
Net cash generated from operating activities		<u>(757)</u>	<u>(757)</u>

	<i>Notes</i>	Target Company B as per Appendix IIB HK\$'000	Target Company B HK\$'000 (ii)
Cash flows from investing activities			
Addition of investment properties/property, plant and equipment		(99)	(99)
Decrease in amount due from a fellow subsidiary	2(b)	79	—
Decrease in amount due from an intermediate holding company	2(b)	<u>791</u>	<u>—</u>
Net cash used in investing activities		<u>771</u>	<u>(99)</u>
Cash flows from financing activities			
Advances from the Remaining Group	2(b)	<u>—</u>	<u>870</u>
Net cash used in financing activities		<u>—</u>	<u>870</u>
Net increase in cash and cash equivalents		14	14
Cash and cash equivalents at beginning of the financial year		<u>13</u>	<u>13</u>
Cash and cash equivalents at end of year		<u><u>27</u></u>	<u><u>27</u></u>

APPENDIX IV**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

6. (a) These adjustments represent the estimated loss on the Disposal of the Target Companies assuming the Disposal had taken place on 1 January 2020:

	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Consideration			250,000
Adjustments for the consideration :			
Add: Utility deposits, management fee deposits		212	
Cash and bank balance		22	
Less: Other payables		<u>(118)</u>	<u>116</u>
Adjusted Consideration			250,116
Less: Estimated expenses directly attributable to the Disposal			<u>(3,500)</u>
Estimates cash flow proceeds from the Disposal			246,616
Less: Net value of assets and liabilities of the Target Companies to be disposed of as at 31 December 2019/1 January 2020 in the consolidated statement of financial position of the Group	(i)	(130,593)	
Sale Loans	(i)#	<u>(164,122)</u>	<u>(294,715)</u>
Estimated loss on the Disposal			<u><u>(48,099)</u></u>

The actual amounts of the adjusted Consideration and the gain/loss on the Disposal can only be determined at the date of the Completion which may be substantially different from the estimated amounts used in the preparation of the unaudited pro forma financial information.

- (i) The adjustment reflects the net value of assets and liabilities of the Target Companies, assuming that the Disposal had been completed on 1 January 2020.

	<i>Notes</i>	Target Company A as per Appendix IIA HK\$'000	Target Company A HK\$'000
Non-current asset			
Investment properties	2(a)	146,700	—
Property, plant and equipment	2(a)	<u>—</u>	<u>139,214</u>
		<u>146,700</u>	<u>139,214</u>
Current assets			
Other receivables, prepayment and deposits		101	101
Amounts due from fellow subsidiaries	#	2,667	2,667
Amount due from an intermediate holding company	#	882	882
Bank balances		<u>9</u>	<u>9</u>
		<u>3,659</u>	<u>3,659</u>
Current liabilities			
Amount due to immediate holding company	#	83,167	83,167
Other payables		60	60
Tax payables		<u>—</u>	<u>452</u>
		<u>83,227</u>	<u>83,679</u>
Non-current liability			
Deferred taxation		<u>266</u>	<u>—</u>
Net assets		<u><u>66,866</u></u>	<u><u>59,194</u></u>

APPENDIX IV**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

	<i>Notes</i>	Target Company B as per Appendix IIB HK\$'000	Target Company B HK\$'000
Non-current asset			
Investment properties	2(a)	155,200	—
Property, plant and equipment	2(a)	—	155,765
		<u>155,200</u>	<u>155,765</u>
Current assets			
Other receivables, prepayment and deposits		134	134
Amounts due from fellow subsidiaries	#	3,865	3,865
Amount due from an intermediate holding company	#	3,584	3,584
Tax recoverable		106	49
Bank balances		13	13
		<u>7,702</u>	<u>7,645</u>
Current liabilities			
Amount due to immediate holding company	#	91,953	91,953
Other payables		58	58
		<u>92,011</u>	<u>92,011</u>
Non-current liability			
Deferred taxation		433	—
Net assets		<u>70,458</u>	<u>71,399</u>

APPENDIX IV**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

- (b) These adjustments represent the estimated cash flow from the Disposal of the Target Companies assuming the Disposal had taken place on 1 January 2020:

	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Consideration			250,000
Adjustments for the net asset value of the Target Companies:			
Add: Utility deposits, management fee deposits		212	
Cash and bank balance		22	
Less: Other payables		<u>(118)</u>	<u>116</u>
Adjusted Consideration			250,116
Less: Estimated expenses directly attributable to the Disposal			<u>(3,500)</u>
Estimated cash flow from the Disposal			246,616
Less: Repayment of bank borrowings of the Company	(i)		<u>(183,656)</u>
Net cash from the Disposal			<u><u>62,960</u></u>

The actual amounts of the adjusted Consideration and the cash flow from the Disposal can only be determined at Completion, which may be substantially different from the estimated amounts used in the preparation of the unaudited pro forma financial information.

Note:

- (i) The amount is extracted from the audited consolidated statement of financial statements, as set out in the published annual report of the Company for the year ended 31 December 2019 dated 22 June 2020.
7. Regarding the unaudited pro forma consolidated statement of financial position, apart from Notes 2, 3 and 4 above relating to the Disposal, no other adjustment has been made to reflect any trading results or other disposals of the Group entered into subsequent to 31 December 2020.
8. Regarding the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows, apart from Notes 5 and 6 above relating to the Disposal, no other adjustment has been made to reflect any trading results or other disposals of the Group entered into subsequent to 1 January 2020.
9. No adjustment is expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group and the unaudited pro forma consolidated statement of cash flows of the Remaining Group.

**B. REPORT ON COMPILATION OF UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP****Independent Reporting Accountants' Assurance Report on the Compilation of Unaudited Pro
Forma Financial Information**

To the directors of Tempus Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Tempus Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated statement of financial position as at 31 December 2020, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2020 and related notes (the “Unaudited Pro Forma Financial Information”) as set out in Part A of Appendix IV to the circular dated 19 August 2021 (the “Circular”) issued by the Company. The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Part A of Appendix IV to the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the very substantial disposal in relation to the disposal of the entire issued share capital of and loans to KK VII (BVI) Limited and KK VIII (BVI) Limited (the “Target Companies”) (the “Disposal”) on the Group’s financial position as at 31 December 2020 and the Group’s financial performance and cash flows for the year ended 31 December 2020 as if the Disposal had taken place at 31 December 2020 and 1 January 2020 respectively. As part of this process, information about the Group’s financial position, financial performance and cash flows has been extracted by the Directors of the Company from the Group’s consolidated financial statements for the year ended 31 December 2020, on an audit report has been published respectively.

Directors’ Responsibilities for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the Unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular" issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or Disposal on unadjusted financial information of the Group as if the event had occurred or the Disposal had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or Disposals at 31 December 2020 or 1 January 2020 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of the Company in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or Disposal, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or Disposal in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Moore Stephens CPA Limited

Certified Public Accountants

Chan King Keung

Practising Certificate Number: P06057

Hong Kong, 19 August 2021

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Ascent Partners Valuation Service Limited, an independent valuer, in connection with its valuation as at 31 May 2021 of the properties held by the Target Companies.



Room 2102, 21/F
Hong Kong Trade Centre
161-167 Des Voeux Road Central
Hong Kong
www.ascent-partners.com
Tel: (852) 3679-3890
Fax: (852) 3579-0884
19 August 2021

The Board of Directors

Tempus Holdings Limited

28/F,
No. 9 Des Voeux Road West,
Sheung Wan
Hong Kong

Dear Sirs / Madams

INSTRUCTIONS

In accordance with your instructions for us to value the property interests (the “**Properties**”) located in Hong Kong which are held by Tempus Holdings Limited (the “**Company**”) or its subsidiaries (the “**Group**”). We confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 31 May 2021 (the “**Valuation Date**”) for the purpose of incorporation in the circular of the Company dated 19 August 2021.

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigation and limiting conditions of this valuation.

BASIS OF VALUATION

Our valuation of the property interests represents the market value (“**Market Value**”) which is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s — length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion” in accordance with the HKIS Valuation Standards (2020 Edition).

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

In valuing the Property, we have complied with all the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors.

VALUATION METHODOLOGY

We have valued the property interests on market basis and the direct comparison method is adopted where comparison based on prices realised on actual sales price of comparable property is made. Comparable properties of similar size, character, and location are analyzed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of values.

TITLE INVESTIGATION

We have carried out title searches at the Land Registry for the property interests located in Hong Kong. We have been, in some instances, provided with the extracts of the documents relating to the Properties. However, we have not verified ownership of the Properties to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the seller sells the property interests on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values of the property interests.

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owner of the Properties have enforceable titles to the Properties and have free and uninterrupted rights to use, occupy or assign the Properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our report for any outstanding or additional land premium, charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

VALUATION CONSIDERATIONS

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the property interests. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We have inspected the exterior and, wherever possible, the interior of the Properties but no structural survey had been made. In the course of our inspection, we did not note any serious defects. We are not, however, able to report that the Properties is free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximate. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the Properties and we have assumed that the areas shown on the copies of documents handed to us are correct.

REMARKS

We have prepared the valuation based on pertinent information and market data made available to us at the Valuation Date. Nevertheless, we notice that the outbreak of COVID-19 has caused massive global political, social and economic disturbance on top of the recent tension over international trade dispute. The disturbance may cause fluctuations to the property market. Given the pandemic persists and it should therefore be noted that any disturbance or other unexpected circumstances after the Valuation Date may affect the values of the Property.

Unless otherwise stated, all monetary amounts stated in this report are in Hong Kong Dollars (HKD).

Our valuation certificates in respect of the property interests is herewith attached.

Yours faithfully,
For and on behalf of
Ascent Partners Valuation Service Limited
Stephen Y. W. Yeung
MFin BSc(Hons) Land Adm. MHKIS MCIREA RPS(GP)
Principal

Mr. Stephen Y. W. Yeung is a Registered Professional Surveyor (General Practice Division) and a Professional Member of The Hong Kong Institute of Surveyors with over 10 years' experience in valuation of properties in HKSAR and mainland China. Mr. Yeung is also a valuer on the List of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by HKIS.

Summary of Values

Property	Market Value in existing state as at 31 May 2021 <i>HKD</i>	Interest Attributable to the Group (%)	Value Attributable to the Group as at 31 May 2021 <i>HKD</i>
Property interests held for sale by the Group in Hong Kong			
1 Twenty Eighth Floor, King Kong Commercial Center, No. 9 Des Voeux Road West, Hong Kong	123,200,000	100	123,200,000
2 Carpark Space No. P22 on 2nd Floor, King Kong Commercial Center, No. 9 Des Voeux Road West, Hong Kong	2,200,000	100	2,200,000
3 Twenty Ninth Floor and the Flat Roof (Above Twenty Ninth Floor), King Kong Commercial Center, No. 9 Des Voeux Road West, Hong Kong	131,100,000	100	131,100,000
4 Carpark Space No. P12 on 2nd Floor, King Kong Commercial Center, No. 9 Des Voeux Road West, Hong Kong	2,700,000	100	2,700,000
Total:			<u>259,200,000</u>

Valuation Certificate

Property interests held for sale by the Group in Hong Kong

Property	Description and tenure	Particular of occupancy	Market Value in existing state as at 31 May 2021
1 Twenty Eighth Floor, King Kong Commercial Center, No. 9 Des Voeux Road West, Hong Kong 405/10010 equal and undivided shares of and in Marine Lot Nos. 502, 503 & 504, Sec. A and the R.P. of Marine Lot No. 505, Marine Lot No. 506, Inland Lot No. 3183 and Inland Lot No. 3184	<p>The property comprises the Twenty-Eighth floor of a 30-storey office building of reinforced concrete construction completed in 1995.</p> <p>The Gross Floor Area (GFA) of the office floor is approximately 7,192 sq.ft.</p> <p>Marine Lot Nos. 502 and 503 are held for a term of 999 years commencing on 28 May 1900.</p> <p>Marine Lot Nos. 504, 506 and Inland Lot No. 3183, 3184 are held for a term of 999 years commencing on 28 November 1899.</p> <p>Marine Lot No. 505 is held for a term of 999 years commencing on 8 January 1900.</p> <p>The Government rent payable is HKD190 per annum.</p>	As advised by the Company, the property was owner-occupied as at the valuation date.	<p>HKD123,200,000</p> <p>(Hong Kong Dollars One Hundred and Twenty-Three Million Two Hundred Thousand)</p> <p>100% interest Attributed to the Group</p> <p>HKD123,200,000</p>

Notes:

- (1) The registered owner of the property is KK VII (BVI) Limited vide Memorial No. 16011102110501 dated 17 December 2015.
- (2) The Property is subject to the followings:
 - (i) An Occupation Permit (No. H37/95) vide Memorial No. UB6311690 dated 31 May 1995;
 - (ii) A Deed of Mutual Covenant and Management Agreement vide Memorial No. UB6344864 dated 21 June 1995;
 - (iii) A Sub-Deed of Mutual Covenant vide Memorial No. UB6346483 dated 21 June 1995;
 - (iv) A G.N. No. 1046 under Railways Ordinance (Chapter 519) Re: Resumption of Underground Strata of Land on Marine Lot Nos. 502 & 503 by Director of Lands vide Memorial No. 10030902780236 dated 26 February 2010; and
 - (v) A Mortgage in favor of Hang Seng Bank Limited vide Memorial No. 17011002610131 dated 15 December 2016.

- (3) The property lies within an area zoned “Commercial” as stated in the approved Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/34 dated 13 November 2020.
- (4) The property is situated on an island site abutting on Queen’s Street together with Connaught Road West and Des Voeux Road West running in parallel in the Sheung Wan District. Being a fringe to Sheung Wan, the area is primarily dispersed with old tenement blocks, Grade B and C office buildings as well some renewed Grade-A office developments such as the Shun Tak Centre. Hence, some of the outmoded developments were revamped into more modern office modes like co-working space together with more recently completed office towers, business/budget hotels and service apartments as well residential and URA redevelopments, namely, the Queen’s Terrace. On-street shops comprise mainly fast food chains and restaurants as well other ancillary services serving around the office neighbourhood. In addition, the locality is also renewed for dried seafood products wholesaling. Other community facilities including the Sheung Wan Civic Centre and Sun Yat Sen Memorial Park are available in the vicinity. The property is accessible via public transportations and is within 10-minute walking distance to MTR Sai Ying Pun Station.
- (5) The inspection of the property was carried by Ms. Cindy Yan (CFA) on 15 June 2021.
- (6) The Group has confirmed as follows:
- (i) No options or rights of pre-emption concerning or affecting the property;
 - (ii) No environmental issues such as breach of environmental regulations;
 - (iii) No notices, pending litigation, breach of law or title defects affecting the property;
 - (iv) No plans for construction, renovation, improvement or development of the property; and
 - (v) No plans to dispose of or change the use of the property.

Valuation Certificate

Property interests held for sale by the Group in Hong Kong

Property	Description and tenure	Particular of occupancy	Market Value in existing state as at 31 May 2021
2 Carpark Space No. P22 on 2nd Floor, King Kong Commercial Center, No. 9 Des Voeux Road West, Hong Kong 3/10010 equal and undivided shares of and in Marine Lot Nos. 502, 503 & 504, Sec. A and the R.P. of Marine Lot No. 505, Marine Lot No. 506, Inland Lot No. 3183 and Inland Lot No. 3184	The property comprises a carparking space on 2nd floor of a 30-storey office building of reinforced concrete construction completed in 1995. Marine Lot Nos. 502 and 503 are held for a term of 999 years commencing on 28 May 1900. Marine Lot Nos. 504, 506 and Inland Lot No. 3183, 3184 are held for a term of 999 years commencing on 28 November 1899. Marine Lot No. 505 is held for a term of 999 years commencing on 8 January 1900. The Government rent payable is HKD190 per annum.	As advised by the Company, the property was owner-occupied as at the valuation date.	HKD2,200,000 (Hong Kong Dollars Two Million and Two Hundred Thousand) 100% interest Attributed to the Group HKD2,200,000

Notes:

- (1) The registered owner of the property is KK VII (BVI) Limited vide Memorial No. 16011102110501 dated 17 December 2015.
- (2) The Property is subject to the followings:
 - (i) An Occupation Permit (No. H37/95) vide Memorial No. UB6311690 dated 31 May 1995;
 - (ii) A Deed of Mutual Covenant and Management Agreement vide Memorial No. UB6344864 dated 21 June 1995;
 - (iii) A Sub-Deed of Mutual Covenant vide Memorial No. UB6346483 dated 21 June 1995;
 - (iv) A G.N. No. 1046 under Railways Ordinance (Chapter 519) Re: Resumption of Underground Strata of Land on Marine Lot Nos. 502 & 503 by Director of Lands vide Memorial No. 10030902780236 dated 26 February 2010; and
 - (v) A Mortgage in favor of Hang Seng Bank Limited vide Memorial No. 17011002610131 dated 15 December 2016.

- (3) The property lies within an area zoned “Commercial” as stated in the approved Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/34 dated 13 November 2020.
- (4) The property is situated on an island site abutting on Queen’s Street together with Connaught Road West and Des Voeux Road West running in parallel in the Sheung Wan District. Being a fringe to Sheung Wan, the area is primarily dispersed with old tenement blocks, Grade B and C office buildings as well some renewed Grade-A office developments such as the Shun Tak Centre. Hence, some of the outmoded developments were revamped into more modern office modes like co-working space together with more recently completed office towers, business / budget hotels and service apartments as well residential and URA redevelopments, namely, the Queen’s Terrace. On-street shops comprise mainly fast food chains and restaurants as well other ancillary services serving around the office neighbourhood. In addition, the locality is also renewed for dried seafood products wholesaling. Other community facilities including the Sheung Wan Civic Centre and Sun Yat Sen Memorial Park are available in the vicinity. The property is accessible via public transportations and is within 10-minute walking distance to MTR Sai Ying Pun Station.
- (5) The inspection of the property was carried by Ms. Cindy Yan (CFA) on 15 June 2021.
- (6) The Group has confirmed as follows:
- (i) No options or rights of pre-emption concerning or affecting the property;
 - (ii) No environmental issues such as breach of environmental regulations;
 - (iii) No notices, pending litigation, breach of law or title defects affecting the property;
 - (iv) No plans for construction, renovation, improvement or development of the property; and
 - (v) No plans to dispose of or change the use of the property.

Valuation Certificate

Property interests held for sale by the Group in Hong Kong

Property	Description and tenure	Particular of occupancy	Market Value in existing state as at 31 May 2021
3 Twenty Ninth Floor and the Flat Roof (Above Twenty Ninth Floor), King Kong Commercial Center, No. 9 Des Voeux Road West, Hong Kong	The property comprises the Twenty-Ninth floor of a 30-storey office building of reinforced concrete construction completed in 1995. The Gross Floor Area (GFA) of the office floor is approximately 7,192 sq.ft. Marine Lot Nos. 502 and 503 are held for a term of 999 years commencing on 28 May 1900.	As advised by the Company, the property was owner-occupied as at the valuation date.	HKD131,100,000 (Hong Kong Dollars One Hundred and Thirty-One Million and One Hundred Thousand) 100% interest Attributed to the Group HKD131,100,000
485/10010 equal and undivided shares of and in Marine Lot Nos. 502, 503 & 504, Sec. A and the R.P. of Marine Lot No. 505, Marine Lot No. 506, Inland Lot No. 3183 and Inland Lot No. 3184	Marine Lot Nos. 504, 506, and Inland Lot No. 3183, 3184 are held for a term of 999 years commencing on 28 November 1899. Marine Lot No. 505 is held for a term of 999 years commencing on 8 January 1900. The Government rent payable is HKD190 per annum.		

Notes:

- (1) The registered owner of the property is KK VIII (BVI) Limited vide Memorial No. 16011102110518 dated 17 December 2015.
- (2) The Property is subject to the followings:
 - (i) An Occupation Permit (No. H37/95) vide Memorial No. UB6311690 dated 31 May 1995;
 - (ii) A Deed of Mutual Covenant and Management Agreement vide Memorial No. UB6344864 dated 21 June 1995;
 - (iii) A Sub-Deed of Mutual Covenant vide Memorial No. UB6346483 dated 21 June 1995;
 - (iv) A G.N. No. 1046 under Railways Ordinance (Chapter 519) Re: Resumption of Underground Strata of Land on Marine Lot Nos. 502 & 503 by Director of Lands vide Memorial No. 10030902780236 dated 26 February 2010; and

- (v) A Mortgage in favor of Hang Seng Bank Limited vide Memorial No. 17011002610176 dated 15 December 2016.
- (3) The property lies within an area zoned “Commercial” as stated in the approved Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/34 dated 13 November 2020.
- (4) The property is situated on an island site abutting on Queen’s Street together with Connaught Road West and Des Voeux Road West running in parallel in the Sheung Wan District. Being a fringe to Sheung Wan, the area is primarily dispersed with old tenement blocks, Grade B and C office buildings as well some renowned Grade-A office developments such as the Shun Tak Centre. Hence, some of the outmoded developments were revamped into more modern office modes like co-working space together with more recently completed office towers, business / budget hotels and service apartments as well residential and URA redevelopments, namely, the Queen’s Terrace. On-street shops comprise mainly fast food chains and restaurants as well other ancillary sprees serving around the office neighbourhood. In addition, the locality is also renowned for dried seafood products wholesaling. Other community facilities including the Sheung Wan Civic Centre and Sun Yat Sen Memorial Park are available in the vicinity. The property is accessible via public transportations and is within 10-minute walking distance to MTR Sai Ying Pun Station.
- (5) The inspection of the property was carried by Ms. Cindy Yan (CFA) on 15 June 2021.
- (6) The Group has confirmed as follows:
 - (i) No options or rights of pre-emption concerning or affecting the property;
 - (ii) No environmental issues such as breach of environmental regulations;
 - (iii) No notices, pending litigation, breach of law or title defects affecting the property;
 - (iv) No plans for construction, renovation, improvement or development of the property; and
 - (v) No plans to dispose of or change the use of the property.

Valuation Certificate

Property interests held for sale by the Group in Hong Kong

Property	Description and tenure	Particular of occupancy	Market Value in existing state as at 31 May 2021
4 Carpark Space No. P12 on 2nd Floor, King Kong Commercial Center, No. 9 Des Voeux Road West, Hong Kong 3/10010 equal and undivided shares of and in Marine Lot Nos. 502, 503 & 504, Sec. A and the R.P. of Marine Lot No. 505, Marine Lot No. 506, Inland Lot No. 3183 and Inland Lot No. 3184	The property comprises a carparking space on the 2nd floor of a 30-storey office building of reinforced concrete construction completed in 1995. Marine Lot Nos. 502 and 503 are held for a term of 999 years commencing on 28 May 1900. Marine Lot Nos. 504, 506 and Inland Lot No. 3183, 3184 are held for a term of 999 years commencing on 28 November 1899. Marine Lot No. 505 is held for a term of 999 years commencing on 8 January 1900. The Government rent payable is HKD190 per annum.	As advised by the Company, the property was owner-occupied as at the valuation date.	HKD2,700,000 (Hong Kong Dollars Two Million and Seven Hundred Thousand) 100% interest Attributed to the Group HKD2,700,000

Notes:

- (1) The registered owner of the property is KK VIII (BVI) Limited vide Memorial No. 17011002610163 dated 15 December 2016.
- (2) The Property is subject to the followings:
 - (i) An Occupation Permit (No. H37/95) vide Memorial No. UB6311690 dated 31 May 1995;
 - (ii) A Deed of Mutual Covenant and Management Agreement vide Memorial No. UB6344864 dated 21 June 1995;
 - (iii) A Sub-Deed of Mutual Covenant vide Memorial No. UB6346483 dated 21 June 1995;
 - (iv) A G.N. No. 1046 under Railways Ordinance (Chapter 519) Re: Resumption of Underground Strata of Land on Marine Lot Nos. 502 & 503 by Director of Lands vide Memorial No. 10030902780236 dated 26 February 2010; and
 - (v) A Mortgage in favor of Hang Seng Bank Limited vide Memorial No. 17011002610176 dated 15 December 2016.

- (3) The property lies within an area zoned “Commercial” as stated in the approved Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/34 dated 13 November 2020.
- (4) The property is situated on an island site abutting on Queen’s Street together with Connaught Road West and Des Voeux Road West running in parallel in the Sheung Wan District. Being a fringe to Sheung Wan, the area is primarily dispersed with old tenement blocks, Grade B and C office buildings as well some renewed Grade-A office developments such as the Shun Tak Centre. Hence, some of the outmoded developments were revamped into more modern office modes like co-working space together with more recently completed office towers, business / budget hotels and service apartments as well residential and URA redevelopments, namely, the Queen’s Terrace. On-street shops comprise mainly fast food chains and restaurants as well other ancillary sprees serving around the office neighbourhood. In addition, the locality is also renewed for dried seafood products wholesaling. Other community facilities including the Sheung Wan Civic Centre and Sun Yat Sen Memorial Park are available in the vicinity. The property is accessible via public transportations and is within 10-minute walking distance to MTR Sai Ying Pun Station.
- (5) The inspection of the property was carried by Ms. Cindy Yan (CFA) on 15 June 2021.
- (6) The Group has confirmed as follows:
- (i) No options or rights of pre-emption concerning or affecting the property;
 - (ii) No environmental issues such as breach of environmental regulations;
 - (iii) No notices, pending litigation, breach of law or title defects affecting the property;
 - (iv) No plans for construction, renovation, improvement or development of the property; and
 - (v) No plans to dispose of or change the use of the property.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' interests and short positions in shares and underlying shares of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares or underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as adopted by the Company, were as follows:

(i) Long position in shares and underlying shares of the Company

Name of Director	Capacity/ Nature of interest	Number of Shares held (a)	Number of underlying shares in respect of share options held (b)	Total number of shares and underlying shares held (a)+(b)	Approximate percentage of shareholding in the Company (Note 6)
Mr. Zhong Baisheng (Note 2)	Interest in a controlled corporation	201,534,092(L)	—	201,534,092(L)	57.70%
Mr. Yip Chee Lai, Charlie (Note 3)	Beneficial owner	6,046,000(L)	2,000,000(L)	8,046,000(L)	2.30%
	Interests of parties to an agreement to acquire interest of the Company	17,984,000(L)	—	17,984,000(L)	5.15%
	Sub-total	24,030,000(L)	2,000,000(L)	26,030,000(L)	7.45%

Name of Director	Capacity/ Nature of interest	Number of Shares held (a)	Number of underlying shares in respect of share options held (b)	Total number of shares and underlying shares held (a)+(b)	Approximate percentage of shareholding in the Company (Note 6)
Mr. Sun Yifei (Note 4)	Beneficial owner	—	2,000,000(L)	2,000,000(L)	0.57%
Mr. Li Qi (Note 5)	Beneficial owner	—	200,000(L)	200,000(L)	0.06%

Notes:

- The letter “L” denotes the Director’s long position in the shares or underlying shares.
- These shares are held directly by Tempus Holdings (Hong Kong) Limited (“**Tempus Hong Kong**”), which is wholly-owned by Tempus Value Chain Limited (“**Tempus Value Chain**”). Tempus Value Chain is wholly-owned by Tempus Logistics Group Holding Ltd.* (騰邦物流集團股份有限公司) (“**Tempus Logistics**”), which is in turn owned as to 65% by Tempus Group Co., Ltd.* (騰邦集團有限公司) (“**Tempus Group**”) and 35% by Shenzhen Pingfeng Jewellery Ltd.* (深圳市平豐珠寶有限公司) (“**Pingfeng Jewellery**”), respectively. Pingfeng Jewellery is owned as to 67% by Mr. Zhong Baisheng and 33% by Ms. Duan Naiqi, respectively. Tempus Group is owned as to 98% by Pingfeng Jewellery, 1.34% by Mr. Zhong Baisheng and 0.66% by Ms. Duan Naiqi, respectively. As at Latest Practicable Date, Tempus Hong Kong held 201,534,092 shares, representing approximately 57.70% of the issued share capital of the Company.
- Mr. Yip Chee Lai, Charlie, Mr. Yip Chee Seng, Mr. Yip Chee Way, David and Mr. Yep Gee Kuarn (the “**Minority Shareholders**”) have been persons acting in concert since 1 April 2008 pursuant to a confirmatory agreement dated 1 February 2011 entered into by and among them. Accordingly, each of the Minority Shareholders is deemed to be interested in the shares in which the Minority Shareholders are interested pursuant to the SFO. Mr. Yip Chee Lai, Charlie’s long position in the underlying shares comprises an aggregate of 2,000,000 options granted to him by the Company on 16 April 2018 under the share option scheme adopted by the Company on 25 November 2011 (the “**Share Option Scheme**”). These options are exercisable at the exercise price of HK\$2.13 per share during the period from 16 April 2018 to 15 April 2022, subject to the vesting schedule.
- Mr. Sun Yifei’s long position in the underlying shares comprises an aggregate of 2,000,000 options granted to him by the Company on 16 April 2018 under the Share Option Scheme. These options are exercisable at the exercise price of HK\$2.13 per share during the period from 16 April 2018 to 15 April 2022, subject to the vesting schedule.
- Mr. Li Qi’s long position in the underlying shares comprises an aggregate of 200,000 options granted to him by the Company on 16 April 2018 under the Share Option Scheme. These options are exercisable at the exercise price of HK\$2.13 per share during the period from 16 April 2018 to 15 April 2022, subject to the vesting schedule.
- The approximate percentage of shareholding is calculated based on a total of 349,260,800 issued shares of the Company as at Latest Practicable Date.

* For identification purposes only

(ii) Long position in shares of the Company's associated corporation

Name of Director	Name of associated corporation	Number and class of securities in associated corporation interested	Approximate percentage of shareholding in associated corporation
Mr. Zhong Baisheng	Tempus Hong Kong	10,000 ordinary shares (L)	100%

Notes:

1. The letter "L" denotes the person's long position in the shares or underlying shares of the associated corporation.
2. Tempus Hong Kong is wholly-owned by Tempus Value Chain, which is wholly owned by Tempus Logistics. Tempus Logistics is owned as to 65% by Tempus Group and 35% by Pingfeng Jewellery, respectively. Pingfeng Jewellery is owned as to 67% by Mr. Zhong Baisheng and 33% by Ms. Duan Naiqi, respectively. Tempus Group is owned as to 98% by Pingfeng Jewellery, 1.34% by Mr. Zhong Baisheng and 0.66% by Ms. Duan Naiqi, respectively. By virtue of the SFO, Mr. Zhong Baisheng is deemed to be interested in the 10,000 shares in Tempus Hong Kong.

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have interests or short positions in the shares or underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would be required to (i) be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, (ii) or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' interests and short positions in shares and underlying shares of the Company and its associated corporations

As at the Latest Practicable Date, so far as is known to any Directors or chief executive of the Company, the following persons (other than (a) Director(s) or chief executive of the Company) had interests or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Long positions in Shares and underlying shares of the Company

Name of Shareholder	Capacity/ Nature of interest	Number of Shares held (a)	Number of underlying shares in respect of share options held (b)	Total number of shares and equity derivatives held (a)+(b)	Approximate percentage of shareholding in the Company (Note 5)
Tempus Hong Kong (Note 2)	Beneficial owner	201,534,092(L)	—	201,534,092(L)	57.70%
Tempus Value Chain (Note 2)	Interest in a controlled corporation	201,534,092(L)	—	201,534,092(L)	57.70%
Tempus Logistics (Note 2)	Interest in a controlled corporation	201,534,092(L)	—	201,534,092(L)	57.70%
Tempus Group (Note 2)	Interest in a controlled corporation	201,534,092(L)	—	201,534,092(L)	57.70%
Pingfeng Jewellery (Note 2)	Interest in a controlled corporation	201,534,092(L)	—	201,534,092(L)	57.70%
Ms. Duan Naiqi (Note 2)	Interest in a controlled corporation	201,534,092(L)	—	201,534,092(L)	57.70%
SCGC Capital Holding Company Limited (Note 3)	Beneficial owner	20,300,000(L)	—	20,300,000(L)	5.81%
Shenzhen Capital (Hong Kong) Company Limited (Note 3)	Interest in a controlled corporation	20,300,000(L)	—	20,300,000(L)	5.81%
Shenzhen Capital Group Co., Ltd. (Note 3)	Interest in a controlled corporation	20,300,000(L)	—	20,300,000(L)	5.81%
Mr. Yip Chee Seng (Note 4)	Beneficial owner	5,774,000(L)	—	5,774,000(L)	1.65%
	Interests of parties to an agreement to acquire interests of the Company	18,256,000(L)	2,000,000(L)	20,256,000(L)	5.80%
	Sub-total	24,030,000(L)	2,000,000(L)	26,030,000(L)	7.45%

APPENDIX VI
GENERAL INFORMATION

Name of Shareholder	Capacity/ Nature of interest	Number of Shares held (a)	Number of underlying shares in respect of share options held (b)	Total number of shares and equity derivatives held (a)+(b)	Approximate percentage of shareholding in the Company (Note 5)
Mr. Yep Gee Kuarn (Note 4)	Beneficial owner	6,114,000(L)	—	6,114,000(L)	1.75%
	Interests of parties to an agreement to acquire interests of the Company	17,916,000(L)	2,000,000(L)	19,916,000(L)	5.70%
	Sub-total	24,030,000(L)	2,000,000(L)	26,030,000(L)	7.45%
Mr. Yip Chee Way, David (Note 4)	Beneficial owner	6,096,000(L)	—	6,096,000(L)	1.75%
	Interests of parties to an agreement to acquire interests of the Company	17,934,000(L)	2,000,000(L)	19,934,000(L)	5.70%
	Sub-total	24,030,000(L)	2,000,000(L)	26,030,000(L)	7.45%

Notes:

- The letter “L” denotes the person’s long position in the shares or underlying shares
- These shares are held directly by Tempus Hong Kong, which is wholly owned by Tempus Value Chain. Tempus Value Chain is wholly owned by Tempus Logistics, which is in turn owned as to 65% by Tempus Group and 35% by Pingfeng Jewellery, respectively. Pingfeng Jewellery is owned as to 67% by Mr. Zhong Baisheng and 33% by Ms. Duan Naiqi, respectively. Tempus Group is owned as to 98% by Pingfeng Jewellery, 1.34% by Mr. Zhong Baisheng and 0.66% by Ms. Duan Naiqi, respectively. Therefore, pursuant to Part XV of the SFO, each of Mr. Zhong Baisheng, Ms. Duan Naiqi, Pingfeng Jewellery, Tempus Group, Tempus Logistics and Tempus Value Chain is deemed to be interested in the shares held by Tempus Hong Kong. As at Latest Practicable Date, Tempus Hong Kong held 201,534,092 shares, representing approximately 57.7% of the issued share capital of the Company.
- SCGC Capital Holding Company Limited is wholly owned by Shenzhen Capital (Hong Kong) Company Limited, which is wholly owned by Shenzhen Capital Group Co., Ltd. Therefore, pursuant to Part XV of the SFO, each of Shenzhen Capital (Hong Kong) Company Limited and Shenzhen Capital Group Co., Ltd. is deemed to be interested in the shares held by SCGC Capital Holding Company Limited.
- The Minority Shareholders have been the persons acting in concert since 1 April 2008 pursuant to a confirmatory agreement dated 1 February 2011 entered into by and among them. Accordingly, each of the Minority Shareholders is deemed to be interested in the shares in which the Minority Shareholders are interested pursuant to section 318 of the SFO.
- The approximate percentage of shareholding is calculated based on a total of 349,260,800 issued shares as at Latest Practicable Date.

Saved as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons, other than a Director or a chief executive of the Company, who had or were deemed or taken to have interests or short positions in shares or underlying shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the registered kept by the Company under the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, save as disclosed in this circular:

- (i) none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 31 December 2020, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (ii) none of the Directors was materially interested in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group as a whole.

5. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, so far as the Directors were aware of, none of the Directors nor their respective close associates had any interest in any business which competes or is likely to compete, or is in conflict or is likely to be in conflict, either directly or indirectly, with the businesses of the Group.

6. MATERIAL LITIGATION

As announced by the Company on 24 March 2021, the Company received a letter from the solicitor acting on behalf of a creditor on 23 March 2021 claiming that a statutory demand pursuant to Sections 178(1)(a) or 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) was served on the Company by such creditor to demand for total payment, being the principal and accrued interest, of approximately HK\$194.7 million from the Company. As at the Latest Practicable Date, the creditor has indicated its agreement to a debt restructuring proposal proposed by the Company but no definitive agreement in respect of the debt restructuring has been entered into between the parties. For further details, please refer to the announcements of the Company dated 24 March 2021 and 1 June 2021.

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors are aware, the Group is not engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against member of the Group.

7. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given an opinion or advice to the contents of this circular:

Name	Qualification
Moore Stephens CPA Limited	certified public accountants
Ascent Partners Valuation Service Limited	independent property valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter/report (as the case may be) and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the experts had any direct or indirect shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, none of the experts had any direct or indirect interests in any assets which have been, since 31 December 2020 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) had been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the sale and purchase agreement dated 30 December 2019 entered into between Shenzhen Tempus Value Chain Co., Ltd.* (深圳市騰邦價值鏈股份有限公司) (“**SZ Tempus Value Chain**”), a direct non-wholly owned subsidiary of the Company, and Shenzhen Youxingxin Logistics Co., Ltd.* (深圳市友興昕物流有限公司) (“**SZ Youxingxin**”) in relation to the disposal by SZ Tempus Value Chain to SZ Youxingxin of the entire issued share capital of Shenzhen Qianhai Tempus Value Chain Limited* (深圳前海騰邦價值鏈有限公司) for a consideration of approximately RMB47.7 million (equivalent to approximately HK\$53.1 million), details of which were set out in the announcements of the Company dated 30 December 2019 and 3 January 2020;

- (b) the agreement dated 22 January 2020 entered into between Zhuhai Tempus Jinyue Investment Limited* (珠海騰邦金躍投資有限公司) (“**Tempus Jinyue**”), a wholly-owned subsidiary of the Company, Mr. Wang Xiaowei (王嘯巍), Mr. Peng Biao (彭彪) and Tianjin Yuncheng Corporate Management LLP* (天津市雲橙企業管理合夥企業(有限合夥)) and Ms. Zheng Meiling (鄭美玲) (the “**Transferee**”) in respect of the assignment of the outstanding consideration of RMB19,810,000 from Tempus Jinyue to the Transferee for a total consideration of RMB15,850,000. For details, please refer to the announcements of the Company dated 28 December 2018, 2 January 2019, 28 March 2019, 22 January 2020 and 30 January 2020; and
- (c) the Sale and Purchase Agreement.

Save as the disclosed above, as at the Latest Practicable Date, no contracts (not being contracts entered into in the ordinary course of business) had been entered into by members of the Group within the two years immediately preceding the date of this circular and which are, or may be, material to the Group.

9. GENERAL

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is at 28th Floor, No. 9 Des Voeux Road West, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Boardroom Share Registrars (HK) Limited of 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.
- (d) The secretary of the Company is Ms. Cheung Man Yin who is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.
- (e) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company at 28th Floor, No. 9 Des Voeux Road West, Hong Kong during normal business hours (Saturdays and public holidays excepted) up to and including the date which is 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the three years ended 31 December 2020;
- (c) the review report prepared by Moore Stephens CPA Limited in respect of the Target Company A as set out in Appendix IIA to this circular;

- (d) the review report prepared by Moore Stephens CPA Limited in respect of the Target Company B as set out in Appendix IIB to this circular;
- (e) the report from Moore Stephens CPA Limited on the unaudited pro forma financial information of the Remaining Group as set out in Appendix IV to this circular;
- (f) the property valuation report issued by Ascent Partners Valuation Service Limited in respect of the Properties as set out in Appendix V to this circular;
- (g) the written consents of the experts referred to in the paragraph headed “Experts and consents” in this appendix;
- (h) the material contracts referred to in the paragraph headed “Material contracts” in this appendix; and
- (i) this circular.

NOTICE OF THE EGM

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)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Tempus Holdings Limited (騰邦控股有限公司) (the “**Company**”) will be held at 28th Floor, No. 9 Des Voeux Road West, Hong Kong on Monday, 13 September 2021 at 10:30 a.m. to consider and, if thought fit, to pass the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 19 August 2021 (the “**Circular**”):

ORDINARY RESOLUTIONS

“THAT

- (a) the conditional sale and purchase agreement dated 30 June 2021 (“**Sale and Purchase Agreement**”) entered into between Tempus (BVI) Properties Investment Limited (the “**Vendor**”) (a direct wholly-owned subsidiary of the Company), Yi Feng Development Limited (the “**Purchaser**”) and the Company (as guarantor for the performance of the obligations of the Vendor under the Sale and Purchase Agreement), in relation to, among other matters, the sale by the Vendor to the Purchaser of the entire issued share capital of KK VII (BVI) Limited and KK VIII (BVI) Limited (collectively, the “**Target Companies**”) and the entire amount of the shareholder’s loan owing by the Target Companies to the Vendor immediately prior to the completion of the Sale and Purchase Agreement at the consideration of HK\$250 million (subject to adjustments in accordance with the terms and conditions of the Sale and Purchase Agreement) and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and
- (b) any one director of the Company (including any duly authorised committee of the board of directors) be and are hereby authorised to do all such things and acts and execute all such documents which they consider necessary, desirable, or expedient in connection with the implementation or completion of the Sale and Purchase Agreement and/or any variation, amendments or waiver of the terms of the Sale and Purchase Agreement.”

By Order of the Board
Tempus Holdings Limited
Zhong Baisheng
Chairman

Hong Kong, 19 August 2021

NOTICE OF THE EGM

As at the date of this notice, the Board comprises four executive Directors, namely Mr. Zhong Yiming, Mr. Yip Chee Lai, Charlie, Mr. Wang Xingyi and Mr. Sun Yifei; one non-executive Director, namely Mr. Zhong Baisheng; and three independent non-executive Directors, namely Mr. Li Qi, Mr. Wong Kai Hing and Mr. Cheng Tsz Lok.

Notes:

1. Any member entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares of the Company may appoint one or more proxies to attend and vote instead of him/her.

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 8 September 2021 to 13 September 2021 both days inclusive. During this period, no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer forms of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on 7 September 2021.

2. A proxy form for use at the EGM is enclosed in the Circular of the same date of this notice. The proxy form must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or the person duly authorised.
3. To be valid, this completed and signed proxy form and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be lodged at Boardroom Share Registrars (HK) Limited, the Company's branch share register and transfer office in Hong Kong, whose address is 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time for holding of the EGM or any adjournment thereof (as the case may be).
4. Where there are joint holders of any Shares, any one of such persons may vote at the EGM either personally, or by proxy, in respect of such Shares as if he were solely entitled thereto, and if more than one of such joint holders are present at the EGM personally or by proxy, the joint holder whose name stands first at the register of members of the Company in respect of the relevant joint holding shall alone be entitled to vote.
5. Completion and return of the proxy form will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the proxy form shall be deemed to be revoked.
6. If Typhoon Signal No. 8 or above, or "extreme conditions" caused by super typhoons, or a "black" rainstorm warning is in effect any time and remains in force 2 hours before the time of the EGM, the EGM will be postponed. The Company will publish an announcement on the website of the Company (<http://www.tempushold.com/>) and on the website of the Stock Exchange (www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled EGM.
7. To safeguard the health and safety of attending shareholders and proxies and to reduce the risk of COVID-19 spreading, the following precautionary measures will be taken at the meeting of the Company:
 - (i) compulsory body temperature check;
 - (ii) mandatory wearing of surgical face mask (please bring your own);
 - (iii) no refreshments will be served and no corporate gifts will be distributed; and

NOTICE OF THE EGM

- (iv) no entry will be allowed to any person who is subject to mandatory quarantine order imposed by the HKSAR Government and any person who does not comply with the precautionary measures may be denied entry into the meeting venue.

Shareholders are strongly encouraged to appoint the Chairman of the meeting of the Company as their proxy to vote according to their indicated voting instructions as an alternative to attending the meeting of the Company in person.

Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement(s) on such measures as appropriate.