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## **GTI HOLDINGS LIMITED**

**共享集團有限公司**

*(a company incorporated in the Cayman Islands with limited liability)*

**(Stock code: 3344)**

### **MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION OF LONG LIFE FAMILY NEW RETAIL LIMITED**

This announcement is made on a voluntary basis to update the Shareholders and potential investors on the business of the Company.

The Board wishes to announce that on 10 August 2018 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the non-legally binding MOU with the Vendors in relation to the Possible Acquisition.

**The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition materialises, it will constitute a notifiable transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event that any Formal Agreement has been signed.**

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## **The MOU**

### **Date:**

10 August 2018

### **Parties:**

- (i) the Purchaser; and
- (ii) the Vendors.

The Vendors are four existing shareholders of the Target Company, who collectively hold the entire issued share capital of the Target Company as at the date of this Announcement. To the best of the information, knowledge and belief, each of the Vendors is an Independent Third Party.

### **Assets to be acquired**

Subject to the parties entering into the Formal Agreement, the Vendors shall sell and the Purchaser shall acquire 60% of the issued shares in the Target Company. The Target Company, a company incorporated in Hong Kong, is an investment holding company holding the controlling equity interests of two subsidiaries in the PRC, namely Bama Wanjiafu Longevity Family Recovery Chain Co., Ltd.\* (巴馬萬家福長壽家族康復連鎖股份有限公司) and Bama Wanjiafu Yaoyao Technology Development Co. Ltd.\* (巴馬萬家福瑤藥科技發展有限公司), which formed the Target Group. Owning its distribution network of more than 140 branches all over the PRC, the Target Group is engaged in the sales and distribution of natural spring water under the brand name of “Bama Wanfuquan\* (巴馬萬福泉)”, organic green food, traditional medicines, agricultural products, manufacturing and sales of health products and equipment, as well as rehabilitation, nutrition and health management technology service and consultation.

### **Consideration**

The consideration for the Possible Acquisition will be subject to further negotiation between the parties to the MOU and may be satisfied by the Purchaser by way of cash, allotment and issue of consideration shares of the Company and/or promissory notes.

### **Exclusivity and binding effect**

It is also agreed that the Vendors shall not within 90 days from the date of the MOU (or such later date as the Purchaser and the Vendors shall agree) negotiate with any party (other than the Group) for the Possible Acquisition.

Save for the provisions relating to due diligence review, the exclusive negotiation right, confidentiality and governing laws and jurisdiction, the MOU does not have any legally binding effect and the MOU does not constitute any legally-binding commitment in respect of the Possible Acquisition. The consummation of the Possible Acquisition is subject to the execution and completion of the Formal Agreement.

## **Formal agreement**

The Purchaser and the Vendors shall proceed to the negotiation for a legally-binding Formal Agreement on or before the date falling 90 days from the date of the MOU (or such later date as the parties thereto shall agree), failing which the MOU shall lapse.

If the Formal Agreement is entered into, the Possible Acquisition may constitute notifiable transactions on the part of the Company pursuant to the Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or Shareholders' approval requirements under the Listing Rules as and when appropriate.

## **INFORMATION ON THE GROUP**

The Company is an investment holding company with its subsidiaries engaged in the following three operating segments, namely (i) production, sale and trading of textile products, (ii) trading of petroleum, and (iii) provision of financial services.

Whilst remaining focused on developing its existing businesses, the Group has been seeking business development and investment opportunities from time to time in order to diversify its business and enhance the long-term growth potential of the Group. The Possible Acquisition, if materialised, will enrich the Group with the industry chain in the sales and distribution of natural and health products and services. In light of the huge market potential in the PRC, this new business segment, if materialised, is expected to generate a growing and sustainable income source for the Group.

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## **DEFINITIONS**

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	GTI Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 3344)
“Director(s)”	director(s) of the Company

“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into in relation to the Possible Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons (as defined in the Listing Rules) of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the non-binding memorandum of understanding dated 10 August 2018 entered into between the Purchaser and the Vendors setting out preliminary understanding in relation to the Possible Acquisition
“Possible Acquisition”	the possible acquisition by the Purchaser of the Sale Shares
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Chinakey Chung Yick Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale Shares”	such number of issued shares in the Target Company representing 60% of the issued share capital in the Target Company
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Long Life Family New Retail Limited (長壽家族新零售有限公司), a company incorporated in Hong Kong with limited liability

“Target Group”	the Target Company and its subsidiaries
“Vendors”	Four natural persons being all the shareholders of the Target Company, holding the entire issued share capital thereof
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

\* *English names are transliteration of the Chinese names adopted for reference only.*

By Order of the Board  
**GTI Holdings Limited**  
**Cheung Tat Chung**  
*Executive Director*

Hong Kong, 10 August 2018

*As at the date of this announcement, the Board comprises (i) Mr. Poon Sum (Chairman) and Mr. Cheung Tat Chung (Chief Executive Officer) as executive Directors; and (ii) Mr. Chan Shu Kin, Dr. Tse Kwok Sang and Mr. Chiu Wai Piu as independent non-executive Directors.*