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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)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF THE PROPERTIES**

#### **THE DISPOSAL**

The Board is pleased to announce that, on 6 July 2018 (after trading hours), the Vendor and the Purchaser entered into the Transfer Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Properties at a total consideration of RMB32,000,000 (equivalent to approximately HK\$37,705,000).

#### **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## THE DISPOSAL

The Board is pleased to announce that, on 6 July 2018 (after trading hours), the Vendor and the Purchaser entered into the Transfer Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Properties.

## THE TRANSFER AGREEMENT

The major terms of the Transfer Agreement are as follows:

Date: 6 July 2018

### Parties:

Vendor: 羅定互益染廠有限公司 (Luoding Addchance Dyeing Factory Company Limited), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

Purchaser: 羅定市大也貿易有限公司 (Luoding Daye Trading Company Limited), a company established in the PRC with limited liability

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is not a connected person of the Company and is an Independent Third Party.

### The Properties to be disposed

The properties comprise of land use right in respect of a land parcel located at Bailiding, Chen Pi Village, Shuangdong Street, Luoding City, Guangdong Province, PRC with a total site area of approximately 62,832 square metres (the “**Land Use Right**”) together with the structure(s) erected thereon (the “**Buildings**”) (together the “**Properties**”).

The Buildings, which are under construction, include factory plant and warehouse.

The valuation of the Properties as stated in the Company's audited financial statements as at 31 December 2017 was approximately HK\$45,794,000.

### Consideration

The total consideration for the Disposal is RMB32,000,000 (equivalent to approximately HK\$37,705,000) (the “**Consideration**”), which shall be satisfied by the Purchaser to the Vendor in the following manner:

1. RMB10,000,000 of the Consideration, as the deposit, has been paid by the Purchaser; and

2. the remaining balance of the Consideration shall be payable on the date of submission of the application documents to the relevant government authority for the transfer and registration of the legal title of the Land Use Right under the name of the Purchaser or any other person designated by the Purchaser.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser, taking into account (i) the reasons for the Disposal as disclosed in the section headed "Reasons for and Benefits of the Disposal" in this announcement; and (ii) the valuation of the Properties.

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

The Group is diversifying to other businesses and it is more important for the Group to allocate its resources on promising businesses. The Disposal could generate immediate cash inflow so as to mitigate the severe cash flow situation faced by the Group. The Directors are of the view that the terms and conditions of the Transfer Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ABOUT THE COMPANY, THE VENDOR AND THE PURCHASER**

The Company is a limited liability company incorporated in the Cayman Islands the Shares of which are listed on the Stock Exchange. The principal activity of the Company is investment holding.

The Vendor is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, and principally engaged in the provision of yarn dyeing services.

The Purchaser is a company established in the PRC and is principally engaged in the sales of textile products, construction materials and environmental protection equipment, and property development in the PRC.

## **FINANCIAL IMPACT OF THE DISPOSAL**

Upon completion of the Disposal, it is estimated that the Group will record a loss before taxation of approximately HK\$8,090,000 which is calculated on the basis of the Consideration of approximately HK\$37,705,000 after deduction of the estimated legal and professional fees.

Shareholders should note that the above figures are for illustrative purpose only. The actual gain or loss arising from the Disposal may be different from the above estimation and will be determined based on the valuation of the Properties and the relevant expenses incurred on the completion date and is subject to review by the Company's auditors.

## **USE OF PROCEEDS**

The Company intends to apply the net proceeds from the Disposal as the working capital and for repayment of debts of the Group.

## LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors;
“Business day”	a day other than a Saturday or Sunday on which commercial banks are open for business in the PRC;
“Company”	GTI Holdings Limited (共享集團有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 3344);
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal”	the proposed disposal of the Properties by the Vendor in accordance with the terms and conditions of the Transfer Agreement;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the 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 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;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the issued Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transfer Agreement”	the transfer agreement dated 6 July 2018 entered into between the Vendor and the Purchaser in respect of the Disposal;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC; and
“%”	per cent.

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

Hong Kong, 6 July 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.*