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GTI HOLDINGS LIMITED

共享集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3344)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION OF THE ENTIRE ISSUED SHARES IN TARGET COMPANIES WITH THE TARGET ASSETS

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 17 September 2019 (after trading hours), the Company, the Purchaser and the Vendor entered into the non-legally binding MOU 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:

17 September 2019

Parties:

- (i) the Purchaser as potential purchaser;
- (ii) the Vendor as potential vendor; and
- (iii) the Company as the issuer.

The Vendor is a private company limited by shares and incorporated in Hong Kong and will be the legal owner of the Target Companies, which in turn will hold the Target Assets upon completion of certain group reorganisation.

The Vendor is owned by Mr. Huang Bin, an executive Director, as to 49% of its issued share capital and therefore is a connected person of the Company. To the best of the information, knowledge and belief of the Company, the remaining 51% of its issued share capital is owned by an independent third party.

Target Assets to be acquired

Subject to the parties entering into the Formal Agreement, the Vendor will sell and the Company shall acquire the entire issued shares of the Target Companies, which in turn will hold the Target Assets. The Target Assets are the accounts receivables, in an aggregate amount of about HK\$500 million together with the security rights over any relevant pledged assets including but not limited to, certain loans made by the Vendor and CITIC International Assets Management Limited to CITIC Merchant Co., Limited and CITIC Carbon Assets Management Limited.

Consideration

The consideration for the Possible Acquisition is expected to be not less than HK\$150,000,000 and is subject to further negotiation between the parties to the MOU and may be satisfied by the Company by way of issue of convertible bonds by the Company.

Exclusivity and binding effect

It is also agreed that the Vendor will not within 90 days from the date of the MOU (or such later date as the parties to the MOU may agree) entered into any other agreement in respect of Proposed Acquisition with or sell the Target Assets to any party (other than the Group).

Save for the provisions relating to due diligence review, the exclusive 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 parties to the MOU will 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 and connected 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 independent 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, and others, and (iv) RMB banknotes clearing up services.

The Possible Acquisition is intended to be made at a consideration with substantial discount to the principal value of the Target Assets and, if materialised, will allow the Group an opportunity to make gain on recovery of the receivables.

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.

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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the non-binding memorandum of understanding dated 17 September 2019 entered into among the Company, the Purchaser and the Vendor setting out preliminary understanding in relation to the Possible Acquisition
“Possible Acquisition”	the possible acquisition by the Company of the entire issued shares of Target Companies which in turn will hold the Target Assets
“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
“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 Assets”	the accounts receivables in the aggregate amount of about HK\$500 million, together with any security rights over any relevant pledged assets
“Target Companies”	Gold Bricks Holdings Limited, and Gold Pond International Limited, each a company incorporated in the British Virgin Islands with limited liability
“Vendor”	Asian Capital Partners Group Company Limited, a company incorporated in Hong Kong with limited liability, which is wholly-owned by Mr. Huang Bin, an executive Director
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

By Order of the Board
GTI Holdings Limited
Huang Bin
Executive Director

Hong Kong, 17 September 2019

As at the date of this announcement, the Board comprises (i) Mr. Poon Sum (Chairman), Mr. Ng Kwok Hung Perry, Mr. Hao Xiangbin and Mr. Huang Bin as executive Directors; (ii) Mr. Chan Shu Kin, Dr. Tse Kwok Sang and Mr. Chiu Wai Piu as independent non-executive Directors.