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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)

(I) UPDATE ON THE MEMORANDA OF UNDERSTANDING AND (II) CLARIFICATION ANNOUNCEMENT

(I) UPDATE ON THE PREVIOUS MEMORANDA OF UNDERSTANDING

Reference is made to the announcements of GTI Holdings Limited (the “**Company**”) dated 12 June 2018, 10 August 2018, 15 November 2018 and 28 February 2019 in relation to, among other things, the entering into by the Company of certain memoranda of understanding. The Company wishes to provide shareholders and potential investors updates in relation thereto.

Memoranda of understanding for capital injection into two target companies as announced on 12 June 2018

As previously disclosed, the target companies were principally engaged in the business of financial technology including the blockchain technology, as well as in the business of Internet of Things technology, operating an online supply chain platform built on blockchain technology for shared economy with a particular focus on agricultural industry.

Upon further consideration and study by the Company, the Company considered that the blockchain technology is not mature and the market still has reservation on it. As such, the Company decided not to invest in such business.

Memorandum of understanding for acquisition of 60% interest in Long Life Family New Retail Limited as announced on 10 August 2018 and 15 November 2018.

The parties to such memorandum of understanding attempted to liaise and reach agreement on the terms of such acquisition but in vain, despite the extension of the exclusivity period contemplated thereunder as announced on 15 November 2018. As such, such memorandum of understanding expired.

Memorandum of understanding for possible subscription of new shares in Constant Gain International Limited as announced on 28 February 2019.

Since the performance of retail market of Hong Kong was unsatisfactory in the recent months with uncertain prospect, the Company decided not to proceed with the investment and such memorandum of understanding lapsed.

The termination of the abovementioned memoranda of understanding has no material impact on the financial condition, shareholding structure and the cashflow for acquisition.

(II) CLARIFICATION

Reference is also made to the announcement of the Company dated 17 September 2019 (the “**Announcement**”) in relation to the non-legally binding MOU and the Proposed Acquisition. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless defined otherwise.

The Board would like to clarify that the Vendor is indirectly wholly-owned by Mr. Huang Bin.

REASONS FOR AND BENEFIT OF THE POSSIBLE ACQUISITION

As disclosed in the Announcement, 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. Further, the Possible Acquisition will allow the recovery of the accounts receivable and bring interest income which, if materialised, will help improving the financial performance of the Company. Also, it is preliminarily intended that the Target Companies shall hold no other assets and liabilities other than the Target Assets, and as such, the Possible Acquisition, if completed, will not bring material operational or business risk to the Group.

Since the MOU is non-legally binding and the terms of the Possible Acquisition are subject to negotiation, the Board is of the view that it is premature to judge whether the Possible Acquisition would be beneficial to the Company and the shareholders as a whole.

Save as disclosed herein, all other information in the Announcement remains unchanged.

By Order of the Board
GTI Holdings Limited
Ng Kwok Hung Perry
Executive Director

Hong Kong, 4 October 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.