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If you have sold or transferred all your shares in **Tempus Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities 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)

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF
ENTIRE EQUITY INTERESTS IN
KK II (BVI) LIMITED**

All capitalized terms used in this circular shall have the meanings set out in the section headed “Definitions” on pages 1 and 2 of this circular.

A letter from the Board is set out on pages 3 to 11 of this circular.

19 July 2019

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DEFINITIONS

In this circular, the following expressions have the following meanings, unless the context requires otherwise:

“Announcement”	the announcement dated 29 May 2019 issued by the Company in respect of the Provisional SP Agreement and the Disposal
“associate”	as defined in Chapter 14A of the Listing Rules
“Board”	the board of Directors
“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 Disposal in accordance with the terms and conditions of the Provisional SP Agreement
“Completion Date”	23 July 2019
“Conditions”	the conditions precedent to Completion as set out in the Provisional SP Agreement
“connected persons”	has the same meaning ascribed to it in the Listing Rules
“Consideration”	the Initial Consideration of HK\$122,268,000 to be adjusted with reference to the net tangible asset value of the Target Company as at Completion Date
“Convertible Bonds”	as defined in the sub-section headed “Reasons for, and Benefits of, the Disposal” in the Letter from the Board
“Directors”	the directors of the Company
“Disposal”	the proposed disposal of the Sale Shares and the Sale Loan by the Vendor to the Purchaser pursuant to the terms and conditions of the Provisional SP Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Consideration”	HK\$122,268,000
“Latest Practicable Date”	15 July 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“PRC”	the People’s Republic of China
“Property”	19th Floor and Car Parking Space No.P9 on the 1st Floor of King Kong Commercial Centre, No.9 Des Voeux Road West, Hong Kong with floor area of approximately 7,192 sq.ft.
“Provisional SP Agreement”	the provisional sale and purchase agreement dated 29 May 2019 entered into among the Vendor, the Purchaser and the Company in relation to the Disposal
“Purchaser”	Talent Realty Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale Loan”	all such sum of money due and owing by the Target Company to the Vendor as at Completion
“Sale Shares”	the entire issued share capital of the Target Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Shares”	issued ordinary shares of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	KK II (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability, and the registered and beneficial owner of the Property
“Tempus Group”	Tempus Group Co., Ltd.* (騰邦集團有限公司), a company incorporated in the PRC with limited liability and a controlling shareholder of the Company
“Vendor”	Tempus (BVI) Properties Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

* For identification purposes only

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 Baisheng (*Chairman*)
Mr. Li Dongming (*Chief Executive Officer*)
Mr. Huang Jingkai (*Vice Chairman*)
Mr. Yip Chee Lai, Charlie

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Independent non-executive Directors:

Mr. Han Biao
Mr. Li Qi
Mr. Choi Tan Yee

Principal Place of Business in Hong Kong:

28th Floor
No. 9 Des Voeux Road West
Hong Kong

19 July 2019

To the Shareholders and the holders of the Convertible Bonds

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF
ENTIRE EQUITY INTERESTS IN
KK II (BVI) LIMITED**

INTRODUCTION

Reference is made to the Announcement dated 29 May 2019.

On 29 May 2019 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company), the Purchaser and the Company (as guarantor for the performance of the obligations of the Vendor under the Provisional SP Agreement) entered into the Provisional SP Agreement under which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company, and the Sale Loan, being all such sum of money due and owing by the Target Company to the Vendor as at Completion, at the Consideration. The Consideration shall be the Initial Consideration of HK\$122,268,000 to be adjusted with reference to the net tangible asset value of the Target Company as at Completion Date.

LETTER FROM THE BOARD

Completion of the Disposal is subject to and conditional upon satisfaction or (where applicable) waiver of the Conditions including, among other things, the granting of the necessary approval by the Shareholders of the Company.

The Target Company is the registered and beneficial owner of the Property, being 19th Floor and Car Parking Space No.P9 on the 1st Floor of King Kong Commercial Centre, No.9 Des Voeux Road West, Hong Kong. Immediately after Completion, the Target Company will cease to be a subsidiary of the Company.

Since the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal under the Provisional SP Agreement falls between 25% and 75%, the Disposal constitutes a major disposal for the Company and is subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the Disposal and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Disposal.

As at the date of the Announcement and as at the Latest Practicable Date, Tempus Holdings (Hong Kong) Limited held 232,104,800 Shares, representing approximately 66.46% of the issued share capital of the Company. The Company has obtained the written approval of Tempus Holdings (Hong Kong) Limited for the Disposal pursuant to Rule 14.44 of the Listing Rules and as a result, no extraordinary general meeting will be convened to consider the Disposal.

The purpose of this circular is to provide the Shareholders with the relevant information with respect to the Disposal.

A. PROVISIONAL SP AGREEMENT

1. Date

29 May 2019

2. Parties

Vendor: Tempus (BVI) Properties Investment Limited, a wholly-owned subsidiary of the Company, of which the principal business is investment holding.

Purchaser: Talent Realty Limited, of which the principal business is investment holding. Based on the information available to the Company as at the Latest Practicable Date, the Purchaser is wholly-owned by Mr. Kwok Cheuk Yin Irwin, a citizen in Hong Kong, who is a merchant and engages in property investment.

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner 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 Provisional SP Agreement).

3. Assets to be disposed of

The Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company, and the Sale Loan, being all such sum of money due and owing by the Target Company to the Vendor as at Completion. The Target Company is the registered and beneficial owner of the Property.

4. Consideration

The Consideration shall be the Initial Consideration of HK\$122,268,000 to be adjusted with reference to the net tangible asset value of the Target Company as at Completion Date, and will be settled in the manner below:-

- (a) the deposit of HK\$20,000,000 has been paid by the Purchaser upon the signing of the Provisional SP Agreement; and
- (b) the balance of the Consideration, being HK\$102,268,000 to be adjusted with reference to the net tangible asset value of the Target Company as at Completion Date, shall be paid by the Purchaser on Completion.

The Initial Consideration was arrived after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, (i) the unaudited net asset value of the Target Company of approximately HK\$72,480,000 as at 30 April 2019; (ii) the adjusted net asset value of the Target Company of approximately HK\$70,180,000 after taking into account the market value of the Property according to the valuation report in Appendix II; (iii) the Sale Loan of approximately HK\$69,325,000 as at 30 April 2019; (iv) the preliminary market value of the Property of approximately HK\$139,400,000 as at 31 December 2018 as appraised by an independent firm of qualified professional valuers; and (v) the completion timetable of the Disposal.

The Provisional SP Agreement (including the terms thereof) was the most favourable proposal available to the Group at the time the Provisional SP Agreement was entered into.

LETTER FROM THE BOARD

Among all the proposals received by the Group, the proposal by the Purchaser is the only proposal that the Purchaser was willing to provide certainty of closing, through agreeing to pay a more substantial deposit upfront, and to lower completion risks further by agreeing to the acceleration of the completion schedule as far as possible.

Reference is made to the announcements of the Company dated 29 May 2019, 31 May 2019 and 11 June 2019 in relation to the Convertible Bonds, which are disclosed in the sub-section headed “Reasons for, and Benefits of, the Disposal” in this section. Based on the Initial Consideration of HK\$122,268,000, the Disposal will bring an immediate net cash inflow of approximately HK\$28,668,000 to the Group. The Disposal will enable the Group to put itself back at a sufficiently strong financial position so as to meet the ongoing debt servicing obligations.

In reaching their determinations on the fairness and reasonableness of the terms of the Disposal, the Board evaluated various factors inclusive of the Consideration and any consequential financial loss it would bring, in their totality. The evaluation was made against the larger background of this transaction, i.e. in order to bring, as soon as possible, real and substantive relief to the Group’s current stressed liquidity position to bring it back to a position to meet its debt servicing obligations. Given the complexity of the factors considered, the Group did not find it appropriate to, and did not, consider any specific factor (be it the Consideration or otherwise) exclusively, or to assign quantitative weights to them in the evaluation.

In view of the above, the Directors (including the independent non-executive Directors) believe that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. Conditions to Completion

Completion of the Disposal is subject to and conditional upon satisfaction or (where applicable) waiver of the following Conditions:

- (a) the Purchaser having completed its due diligence review on the business, financial and legal aspects of the Target Company and such due diligence review does not reveal any issue which results in any material adverse effect on the business, operation or financial position and/or assets of the Target Company (including but not limited to issue(s) which leads to or will lead to the Target Company suffering losses or diminution in the value of the Target Company’s share or asset or incurring expenses) with a value in aggregate equal to or greater than a sum equivalent to 10% of the Consideration (but excluding any effect due to market condition and/or fluctuation);
- (b) the Vendor, shall at the Vendor’s own cost, procure the Target Company to prove and give a good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong);
- (c) the Vendor is the sole legal and beneficial owner of the Sale Shares (being the entire issued share capital of the Target Company) and the Sale Loan, free from all encumbrances;

LETTER FROM THE BOARD

- (d) the Target Company is the sole legal and beneficial owner of the Property free from all encumbrances;
- (e) all the representations, undertakings and warranties given by the Vendor under the Provisional SP Agreement and the formal agreement (if any) are and shall remain true, accurate, correct in all material respects up to Completion; and
- (f) the necessary approval of the Disposal having been given by the shareholders of the Company, being the Vendor's holding company, in accordance with the Listing Rules.

The Vendor shall use its reasonable endeavours to procure that Conditions (a) to (e) are satisfied not later than the Completion Date. If any of the foregoing Conditions (a) to (e) is not fulfilled (or waived by the Purchaser) on or before the Completion Date, the Purchaser may rescind the Provisional SP Agreement by giving written notice thereof to the Vendor whereupon the Vendor shall return the deposit paid to the Purchaser (without interest or costs or compensation) forthwith and the Provisional SP Agreement shall have no further force and effect and neither party shall have any claim whatsoever against the other party.

If Condition (f) is not fulfilled on or before the Completion Date, the Provisional SP Agreement will be rescinded whereupon the Vendor shall return the deposit to the Purchaser with interest calculated at interest rate of 6% per annum within 7 days after the date of rescission but without costs or compensation and the Provisional SP Agreement shall have no further force and effect and neither party shall have any claim whatsoever against the other party.

As of the Latest Practicable Date, Condition (f) has been satisfied and the other Conditions have not been satisfied nor waived.

6. Completion

Completion of the Disposal will take place on the Completion Date, that is, 23 July 2019.

Immediately after Completion, the Target Company will cease to be a subsidiary of the Company.

B. INFORMATION ON THE TARGET COMPANY

A summary of the financial information of the Target Company for the two years ended 31 December 2018 and 31 December 2017 is set out below:

	For the year ended	
	31 December	
	2018	2017
	HK\$	HK\$
	Audited	Audited
	<i>Approximate</i>	<i>Approximate</i>
	<i>Amount</i>	<i>Amount</i>
Net profit before taxation and extraordinary items	12,061,000	25,035,000
Net profit after taxation and extraordinary items	11,672,000	24,592,000

LETTER FROM THE BOARD

The audited net asset value of the Target Company as at 31 December 2018 amounted to approximately HK\$71,388,000.

C. FINANCIAL EFFECT OF THE DISPOSAL

1. Effect on assets and liabilities

It is expected that the Disposal will result in a decrease in the total assets of the Group by approximately HK\$111,620,000 and a decrease in the total liabilities of the Group by approximately HK\$94,488,000. Shareholders should note that such figures are for illustration purpose only and are subject to audit.

2. Effect on earnings

Given that the Disposal is expected to cause an unaudited disposal loss of approximately HK\$17,632,000 to the Group (after taking into account disposal expense of approximately HK\$500,000), the earnings of the Group is expected to decrease by approximately HK\$17,632,000 upon Completion. The actual figure is subject to audit.

3. Deficit of the Consideration under the book value of the Property

The unaudited book value of the Property amounted to approximately HK\$139,400,000 as at 30 April 2019. Based on the Initial Consideration of HK\$122,268,000, the Group is expected to sustain a loss from the Disposal of approximately HK\$17,632,000 (after taking into account disposal expense of approximately HK\$500,000).

D. LOSS EXPECTED TO ACCRUE AND INTENDED APPLICATION OF SALE PROCEEDS

The unaudited book value of the Property amounted to approximately HK\$139,400,000 as at 30 April 2019. Based on the Initial Consideration of HK\$122,268,000, the Group is expected to sustain a loss from the Disposal of approximately HK\$17,632,000 (after taking into account disposal expense of approximately HK\$500,000).

The Group intends to apply the proceeds of the Disposal of approximately HK\$121,768,000 (after deduction of disposal expense of approximately HK\$500,000) in the following manner: (a) approximately HK\$93,100,000 will be used for the repayment of the bank loans related to the Property; and (b) the remaining balance of approximately HK\$28,668,000 will be used for the partial redemption of the First Convertible Bonds (defined below) which were issued by the Company on 1 June 2018 and due on 30 May 2019 and with principal amount of HK\$160,000,000.

E. REASONS FOR, AND BENEFITS OF, THE DISPOSAL

The Company is an investment holding company. The Group is principally engaged in sales and research and development of health and wellness products, cross-border trading and logistics business.

LETTER FROM THE BOARD

The property market in Hong Kong has been growing quickly over the years. However, it is uncertain whether the boom in the property market in Hong Kong may sustain in view of the recent political upheaval in Hong Kong as well as the deterioration of the global economic situation caused by tension between China and the U.S.. The Property has been held by the Group as an investment property. The Company considers it is an appropriate time to realise its investment to enhance its cash position.

By the announcements of the Company dated 29 May 2019, 31 May 2019 and 11 June 2019, the Company has drawn attention to its convertible bonds issued in 2018, namely, the 7% HK\$160 million unlisted convertible bonds (the “**First Convertible Bonds**”) falling due on 30 May 2019, and the 7% HK\$30 million unlisted convertible bonds (the “**Second Convertible Bonds**”, together with the First Convertible Bonds, the “**Convertible Bonds**”) falling due on 14 October 2019. The Company’s announcements further referred to Tempus Group as the controlling shareholder of the Company, and its outstanding interest payment, of approximately RMB112.5 million, falling due on 10 June 2019, under Tempus Group’s three-year 7.5% corporate bonds with a principal amount of RMB1.5 billion listed on Shenzhen Stock Exchange under the name of “17騰邦01” (securities code: 112526.SZ). For the Company, Tempus Group’s non-payment under such listed bonds has given rise to a concern about any default/potential default on the part of the Company under the conditions of the Convertible Bonds, and about the consequential repayment obligations under the conditions of the Second Convertible Bonds being brought forward.

As at the Latest Practicable Date, the total amount due and payable under the Convertible Bonds was approximately HK\$200 million. The Company has not yet redeemed the Convertible Bonds.

The Company is in a continuing discussion with the holder of the Convertible Bonds (the “**Bondholder**”) since May 2019 with respect to the redemption of the Convertible Bonds. The Bondholder has preliminarily indicated that it would not demand an immediate full redemption of the Convertible Bonds. The schedule of redemption has remained subject to further negotiation among the parties. As at the Latest Practicable Date, the Company had not received notification from the Bondholder declaring any default of the conditions of the Convertible Bonds. The Bondholder remains willing to negotiate with the Company to resolve their redemption. It is estimated that the Disposal will bring net cash inflow of approximately HK\$28,668,000 to the Group after deducting the repayment of bank loans related to the Property for the partial redemption of the First Convertible Bonds.

As disclosed in the paragraph headed “Consideration” in this section, the Initial Consideration was determined with reference to, among other things, (i) the unaudited net asset value of the Target Company of approximately HK\$72,480,000 as at 30 April 2019; (ii) the adjusted net asset value of the Target Company of approximately HK\$70,180,000 after taking into account the market value of the Property according to the valuation report in Appendix II; (iii) the Sale Loan of approximately HK\$69,325,000 as at 30 April 2019; (iv) the preliminary market value of the Property of approximately HK\$139,400,000 as at 31 December 2018 as appraised by an independent firm of qualified professional valuers; and (v) the completion timetable of the Disposal.

The Provisional SP Agreement (including the terms thereof) was the most favourable proposal available to the Group at the time the Provisional SP Agreement was entered into.

LETTER FROM THE BOARD

Among all the proposals received by the Group, the proposal by the Purchaser is the only proposal that the Purchaser was willing to provide certainty of closing, through agreeing to pay a more substantial deposit upfront, and to lower completion risks further by agreeing to the acceleration of the completion schedule as far as possible.

Based on the Initial Consideration of HK\$122,268,000, the Disposal will bring an immediate net cash inflow of approximately HK\$28,668,000 to the Group. The Disposal will enable the Group to put itself back at a sufficiently strong financial position so as to meet the ongoing debt servicing obligations.

In reaching their determinations on the fairness and reasonableness of the terms of the Disposal, the Board evaluated various factors inclusive of the Consideration and any consequential financial loss it would bring, in their totality. The evaluation was made against the larger background of this transaction, i.e. in order to bring, as soon as possible, real and substantive relief to the Group's current stressed liquidity position to bring it back to a position to meet its debt servicing obligations. Given the complexity of the factors considered, the Group did not find it appropriate to, and did not, consider any specific factor (be it the Consideration or otherwise) exclusively, or to assign quantitative weights to them in the evaluation.

The Directors (including the independent non-executive Directors) have confirmed that the terms of the Disposal under the Provisional SP Agreement are fair and reasonable, and they are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

F. LISTING RULES IMPLICATIONS AND GENERAL INFORMATION

Since the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal under the Provisional SP Agreement falls between 25% and 75%, the Disposal constitutes a major disposal for the Company and is subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the Disposal and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Disposal.

As at the date of the Announcement and as at the Latest Practicable Date, Tempus Holdings (Hong Kong) Limited held 232,104,800 Shares, representing approximately 66.46% of the issued share capital of the Company. The Company has obtained the written approval of Tempus Holdings (Hong Kong) Limited for the Disposal pursuant to Rule 14.44 of the Listing Rules and as a result, no extraordinary general meeting will be convened to consider the Disposal.

LETTER FROM THE BOARD

G. RECOMMENDATION

The Directors consider that the Disposal is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend all Shareholders to vote in favour of the Disposal if a general meeting were held to consider and approve the Disposal.

H. ADDITIONAL INFORMATION

Completion of the Disposal is subject to the satisfaction or (where applicable) waiver of the Conditions and therefore may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

Your attention is drawn to the additional information contained in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Zhong Baisheng
Chairman

1. AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group, together with the accompanying notes, for each of the three years ended 31 December 2016, 2017 and 2018 are disclosed in the annual reports of the Company for the financial years ended 31 December 2016 (pages 59 to 134), 31 December 2017 (pages 80 to 184) and 31 December 2018 (pages 79 to 196), 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 the Stock Exchange's website at www.hkexnews.hk through the links below:

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2017/0424/LTN20170424709.pdf>

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/0413/LTN20180413043.pdf>

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2019/0424/LTN20190424338.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 May 2019, i.e. 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\$495,888,000, comprising secured interest-bearing bank loans of approximately HK\$291,094,000, finance lease obligation of approximately HK\$4,321,000 and convertible bonds of approximately HK\$200,473,000. The aforesaid interest-bearing bank loans were secured by the Group's investment properties, certain of its leasehold land and buildings, land use right and corporate guarantees executed by the Company. As at the close of business on 31 May 2019, the Company has provided guarantees for unlimited amount with respect to bank loans to its subsidiary. Under the guarantees, the Company would be liable to pay the banks if the banks are unable to recover the loans. As at 31 May 2019, no provision for the Company's obligation under the guarantee contract has been made as the Directors considered that it was not probable that the repayment of the loans would be in default.

Save as aforesaid and apart from intra-group liabilities, the Group did not, at the close of the business on 31 May 2019, 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 31 May 2019.

3. MATERIAL ADVERSE CHANGE

By the announcements of the Company dated 29 May 2019, 31 May 2019 and 11 June 2019, the Company has drawn attention to its convertible bonds issued in 2018, namely, the First Convertible Bonds falling due on 30 May 2019, and the Second Convertible Bonds falling due on 14 October 2019.

The Company's announcements further referred to Tempus Group as the controlling shareholder of the Company, and its outstanding interest payment, of approximately RMB112.5 million, falling due on 10 June 2019, under Tempus Group's three-year 7.5% corporate bonds with a principal amount of RMB1.5 billion listed on Shenzhen Stock Exchange under the name of "17騰邦01" (securities code: 112526.SZ). For the Company, Tempus Group's non-payment under such listed bonds has given rise to a concern about any default/potential default on the part of the Company under the conditions of the Convertible Bonds, and about the consequential repayment obligations under the conditions of the Second Convertible Bonds being brought forward.

As at the Latest Practicable Date, the total amount due and payable under the Convertible Bonds was approximately HK\$200 million. The Company has not yet redeemed the Convertible Bonds.

The Company is in a continuing discussion with the Bondholder since May 2019 with respect to the redemption of the Convertible Bonds. The Bondholder has preliminarily indicated that it would not demand an immediate full redemption of the Convertible Bonds. The schedule of redemption has remained subject to further negotiation among the parties. As at the Latest Practicable Date, the Company had not received notification from the Bondholder declaring any default of the conditions of the Convertible Bonds. The Bondholder remains willing to negotiate with the Company to resolve their redemption.

Reference is also made to the announcement of the Company dated 3 July 2019 by which it was announced that, based on the unaudited management accounts of the Group for the five months ended 31 May 2019 to the Board, the Group is expected to record a significant loss for the six months ended 30 June 2019 as compared to a profit attributable to the Shareholders of HK\$4,266,000 for the six months ended 30 June 2018.

The expected loss is mainly due to (i) decrease in fair value of approximately HK\$17,132,000 of an investment property held by the Group (i.e. the Property); (ii) reduction of rental income of approximately HK\$3,960,000 as a result of the termination of two tenancy agreements (the Group as landlord) on 9 November 2018 in relation to the partial lease of the Group's office premises to two connected parties of the Group and additional depreciation on leasehold land and buildings of approximately HK\$2,340,000 as a result of the change of the aforementioned office premises from investment property to property, plant and equipment immediately after the termination of tenancy agreements; and (iii) an impairment loss on a loan receivable from an independent third party with outstanding principal amount of HK\$29,100,000.

Please refer to the announcement of the Company dated 3 July 2019 for details.

Save as disclosed, the Directors confirmed that there was no material adverse change in the financial or trading position of the Group since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group have been made up) to the Latest Practicable Date.

4. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the cash inflow of the 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.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Directors note that a chain of adverse events since 2018, such as further slowing down of China economy, outbreak of Sino-US trade war and recent political upheaval in Hong Kong, has been continuously undermining the general business environment and consumers sentiment across the Asia Pacific region, especially Mainland China and Hong Kong. As a result, Company's business operation and financing and investment activities were affected to certain extent.

Reference is also made to the announcements of the Company dated 29 May 2019, 31 May 2019 and 11 June 2019 in relation to the Convertible Bonds. As at the Latest Practicable Date, there was a total of approximately HK\$200 million due under the Convertible Bonds issued by the Company. The Disposal will enhance the cash position of the Group to fulfill the repayment obligations of the outstanding loans.

With growing investment opportunities in Guangdong-Hong Kong-Macao Greater Bay Area, the Group will actively leverage the advantages of the business within the system and capture investment opportunities. However, the Group will continue to optimize the operation efficiency in existing main businesses. Adhering to the principle of continuation of business development while effectively controlling financial risks exposure at the same time, the Company is confident that it is able to identify and grasp future investment opportunities to bring sustainable profit growth and maximize long-term investment returns for the Shareholders.

The following is the text of a property valuation report prepared for inclusion in this circular, received from APAC Asset Valuation and Consulting Limited, an independent property valuer, in connection with their valuation as at 31 May 2019 of the Property held by the Group.



APAC Asset Valuation and Consulting Limited

5/F., Blissful Building, 243-247 Des Voeux Road Central, Hong Kong

Tel: (852) 2357 0059

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The Directors
Tempus Holdings Limited
28th Floor
No. 9 Des Voeux Road West
Hong Kong

19 July 2019

Dear Sirs/ Madams,

RE: 19TH FLOOR AND CAR PARKING SPACE NO. P9 ON THE 1ST FLOOR OF KING KONG COMMERCIAL CENTRE, NO. 9 DES VOEUX ROAD WEST, HONG KONG (THE “PROPERTY”)

In accordance with the instructions from Tempus Holdings Limited (the “Company”) for us to value the Property situated in Hong Kong, we confirm that we have carried out an inspection, 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 as at 31 May 2019 (the “Valuation Date”) for the purpose of incorporation into the circular issued by the Company. The valuation result should not be construed to be a fairness opinion, a solvency opinion or an investment recommendation. It is inappropriate to use our valuation report for purpose other than its intended use or by third parties. These third parties should conduct their own investigation and independent assessment of the Property.

BASIS OF VALUATION

Our valuation of the Property is our opinion of its market value which we would define as intended to mean “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”.

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.

We are independent of the Company and our valuation is prepared in accordance with the “HKIS Valuation Standards” published by the Hong Kong Institute of Surveyors and the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Property on the open market without the benefit or burden of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to affect the value of the Property.

No allowance has been made in our valuation report for any charge, mortgage or amount owing on the Property nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

VALUATION METHODOLOGY

In valuing the Property, we have made reference to the comparable sales evidences as available on the relevant markets and where appropriate, valued the Property on the basis of capitalization of the rental income as shown on the tenancy agreement handed to us by the Company.

TITLE AND ASSUMPTIONS

We have not been provided with any title documents relating to the Property but we have caused searches to be made at the Land Registry. We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of your legal advisers. As advised by the Company, there are no investigations, notices, pending litigation, breaches of law or title defects against the Property.

SOURCES OF INFORMATION

We have relied to a very considerable extent on information given by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, floor area, tenancy agreement and all other relevant matters. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation report are only approximations. We have taken every reasonable care both during inspecting the information provided to us and in making relevant enquiries. We have no reason to doubt the truth and accuracy of the information provided to us by the Company, which is material to our valuation. We were also advised by the Company that no material facts have been omitted from the information provided to us.

SITE INSPECTIONS

Site inspection of the Property was carried out by Mr. James Chu (BSc in Surveying) in June 2019. We have inspected the exterior and where possible, the interior of the Property. We have not inspected those parts of the Property which were covered, unexposed or inaccessible and such parts have been assumed to be in reasonable condition. We have not carried out detailed measurements to verify the correctness of the area in respect of the Property but have assumed that the area shown on the title documents handed to us is correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

In the course of our inspection, we did not notice any serious defects. However, no structural survey has been made and we are therefore unable to report whether the Property is free of rot, infestation or any other structural defects. No tests have been carried out on any of the services.

LIMITATION OF LIABILITIES

This valuation report is issued on the understanding that you have drawn our attention to all matters of which they are aware concerning the Property which may have an impact on our valuation report up to the Valuation Date. We have no responsibility to update this valuation report for events and circumstances occurring after the date of completion of our assessment but will be pleased to discuss further instructions as may be required.

MANAGEMENT CONFIRMATION OF FACTS

A draft of this valuation report and our calculation has been sent to the Company. The Company has reviewed and orally confirmed to us that facts as stated in this valuation report and calculation are accurate in all material respects and that the Company is not aware of any material matters relevant to our engagement which have been excluded.

CURRENCY

Unless otherwise stated, all monetary amounts in our valuation are in Hong Kong Dollars (HK\$).

Our valuation report is attached.

Yours faithfully,

For and on behalf of

APAC Asset Valuation and Consulting Limited

KEN WONG

MHKIS, MCIREA, RPS (GP)

Director

Note: Mr. Ken Wong is a Registered Professional Surveyor in General Practice Division with over 18 years valuation experience on properties in Hong Kong.

VALUATION REPORT

Property held for investment in Hong Kong

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 May 2019
19th Floor and Car Parking Space No. P9 on the 1st Floor of King Kong Commercial Centre, No. 9 Des Voeux Road West, Hong Kong	King Kong Commercial Centre (the “Development”) is situated on the northwestern side of Des Voeux Road West and southern side of Connaught Road West in Sheung Wan District of Hong Kong. The immediately locality is a traditional commercial area. Developments in the vicinity comprise office and residential buildings of different ages and heights.	As advised by the Company, as at the Valuation Date, the office unit was subject to a tenancy agreement for a term commencing on 16 July 2016 and expiring on 15 July 2019 at a monthly rent of HK\$280,488 (exclusive of rates, management fee, air-conditioning charge and all outgoings). The car parking space was being occupied for car parking use.	HK\$137,100,000
408/10010th shares of and in Marine Lot Nos. 502, 503, 504, Section A and the Remaining Portion of Marine Lot No. 505, Marine Lot No. 506 and Inland Lot Nos. 3183 and 3184	The Development is a 30-storey office building with shops and car parking facilities and was completed in 1995.		
	The Property comprises an office unit on the 19th Floor and a car parking space on the 1st Floor of the Development. As advised by the Company, the gross area of the office unit of the Property is approximately 7,192 sq.ft.		
	The Property is held under various Government Leases all for a term of 999 years commencing on 28 November 1899, 8 January 1900 and 28 May 1900 respectively at an aggregate government rent of HK\$190 per annum.		

Note:

1. The registered owner of the Property is KK II (BVI) Limited.
2. The Property is subject to the following encumbrances:
 - i. Deed of Mutual Covenant and Management Agreement in favour of China Merchants & Kan Property Management Company Limited vide Memorial No. UB6344864 dated 21 June 1995;
 - ii. Sub-deed of Mutual Covenant supplementary to Deed of Mutual Covenant and Management Agreement (Memorial No. UB6344864) vide Memorial No. UB6346483 dated 21 June 1995; and
 - iii. Mortgage in favour of Hang Seng Bank Limited vide Memorial No. 18061102410089 dated 25 May 2018.
3. The Property currently lies within an area zoned “Commercial” under Draft Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/32.

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 DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

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

Interests 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 9)
Mr. Zhong Baisheng (Note 2)	Interest in a controlled corporation	232,104,800(L)	—	232,104,800(L)	66.46%
Mr. Yip Chee Lai, Charlie (Note 3)	Beneficial owner	6,046,000(L)	4,450,000(L)	10,496,000(L)	3.01%
	Interests of parties to an agreement to acquire interest of the Company	17,984,000(L)	—	17,984,000(L)	5.15%
	Total	24,030,000(L)	4,450,000(L)	28,480,000(L)	8.15%
Mr. Li Dongming (Note 4)	Beneficial owner	—	6,498,600(L)	6,498,600(L)	1.86%
Mr. Huang Jingkai (Note 5)	Beneficial owner	—	6,948,600(L)	6,948,600(L)	1.99%
Mr. Han Biao (Note 6)	Beneficial owner	—	550,000(L)	550,000(L)	0.16%
Mr. Li Qi (Note 7)	Beneficial owner	—	550,000(L)	550,000(L)	0.16%

Notes:

(1) The letter "L" denotes the Director's long position in the Shares or underlying Shares.

- (2) 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 the Latest Practicable Date, Tempus Hong Kong held 232,104,800 Shares, representing approximately 66.46% of the issued share capital of the Company.
- (3) Mr. Yip Chee Lai, Charlie, Mr. Yip Chee Seng, Mr. Yip Chee Way, David, Mr. Yep Gee Kuarn, Mr. Tan Beng Gim and Ms. Chua Siew Hun (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 4,450,000 options granted to him by the Company on 31 August 2015, 26 January 2017 and 16 April 2018 under the share option scheme adopted by the Company on 25 November 2011 (the “**Share Option Scheme**”). Out of these options, 450,000 options are exercisable at the exercise price of HK\$3.38 per Share during the period from 31 August 2016 to 30 August 2019, 2,000,000 options are exercisable at the exercise price of HK\$1.84 per Share during the period from 26 January 2017 to 25 January 2021 and 2,000,000 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.
- (4) Mr. Li Dongming’s long position in the underlying Shares comprises an aggregate of 6,498,600 options granted to him by the Company on 26 January 2017 and 16 April 2018 under the Share Option Scheme. Out of these options, 3,000,000 options are exercisable at the exercise price of HK\$1.84 per Share during the period from 26 January 2017 to 25 January 2021 and 3,498,600 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.
- (5) Mr. Huang Jingkai’s long position in the underlying Shares comprises an aggregate of 6,948,600 options granted to him by the Company on 31 August 2015, 26 January 2017 and 16 April 2018 under the Share Option Scheme. Out of these options, 450,000 options are exercisable at the exercise price of HK\$3.38 per Share during the period from 31 August 2016 to 30 August 2019, 3,000,000 options are exercisable at the exercise price of HK\$1.84 per Share during the period from 26 January 2017 to 25 January 2021 and 3,498,600 options are exercisable at the exercise price of HK\$2.13 per Share during period from 16 April 2018 to 15 April 2022, subject to the vesting schedule.
- (6) Mr. Han Biao’s long position in the underlying Shares comprises an aggregate of 550,000 options granted to him by the Company on 31 August 2015, 26 January 2017 and 16 April 2018 under the Share Option Scheme. Out of these options, 150,000 options are exercisable at the exercise price of HK\$3.38 per Share during the period from 31 August 2016 to 30 August 2019, 200,000 options are exercisable at the exercise price of HK\$1.84 per Share during the period from 26 January 2017 to 25 January 2021 and 200,000 options are exercisable at the exercise price of HK\$2.13 per Share during period from 16 April 2018 to 15 April 2022, subject to the vesting schedule.
- (7) Mr. Li Qi’s long position in the underlying Shares comprises an aggregate of 550,000 options granted to him by the Company on 31 August 2015, 26 January 2017 and 16 April 2018 under the Share Option Scheme. Out of these options, 150,000 options are exercisable at the exercise price of HK\$3.38 per Share during the period from 31 August 2016 to 30 August 2019, 200,000 options are exercisable at the exercise price of HK\$1.84 per Share during the period from 26 January 2017 to 25 January 2021 and 200,000 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.
- (8) The approximate percentage of shareholding is calculated based on a total of 349,260,800 issued Shares of the Company as at the Latest Practicable Date.

Interests in shares of associated corporation of the Company

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.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

- (a) As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been, since 31 December 2018, 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.
- (b) None of the Directors is materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group as a whole.
- (c) As at the Latest Practicable Date, none of the Directors had entered into any service contract with any member of the Group which is not expiring or determinable by the employer within one year without payment of compensation other than statutory compensation.

- (d) As at the Latest Practicable Date, none of the Directors nor any of their respective close associates had any interest in a business apart from the business of the Group, which competed or was likely to compete, either directly or indirectly, with that of the Group.

4. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by members of the Group within the 2 years immediately preceding the date of this circular and are or may be material:

- the tenancy agreement I dated 1 March 2017 entered into between KK VII (BVI) Limited (an indirect wholly owned subsidiary of the Company) as landlord and Tempus Assets (Hong Kong) Limited as tenant in relation to the leasing of 28th Floor, King Kong Commercial Centre, No. 9 Des Voeux Road West, Hong Kong for a term of three years at a monthly rent of HK\$359,600 (the “**Tenancy Agreement I**”), details of which are set out in the announcement of the Company dated 1 March 2017;
- the tenancy agreement II dated 1 March 2017 entered into between KK VIII (BVI) Limited (an indirect wholly owned subsidiary of the Company) as landlord and Tempus Logistics (formerly known as Shenzhen Tempus Logistics Co., Ltd.* 深圳市騰邦物流股份有限公司) as tenant in relation to the leasing of 29th Floor (inclusive of the rooftop), King Kong Commercial Centre, No. 9 Des Voeux Road West, Hong Kong for a term of three years at a monthly rent of HK\$471,025 (the “**Tenancy Agreement II**”), details of which are set out in the announcement of the Company dated 1 March 2017;
- the subscription agreements dated 25 May 2017 entered into between the Company and three investors (included Mimas Sino Investments Limited, Luk Ching, Sanna and Win Success Travel Limited) for the issue of the three convertible notes in an aggregate principal amount of HK\$160,000,000 for cash, details of which are set out in the announcements of the Company dated 25 May 2017 and 16 June 2017;
- the sale and purchase agreement dated 26 May 2017 entered into between Tempus Logistics (formerly known as Shenzhen Tempus Logistics Co., Ltd.* 深圳市騰邦物流股份有限公司) and the Company in relation to the acquisition by the Company of the 61.75% equity interest in Shenzhen Tempus Value Chain Co., Ltd.* 深圳市騰邦價值鏈股份有限公司 for a cash consideration of RMB48,165,000, details of which are set out in the announcements of the Company dated 26 May 2017 and 30 November 2017 and the circular of the Company dated 23 June 2017;
- the shareholders’ agreement dated 7 July 2017 entered into between Tempus (BVI) Investment Limited (a wholly owned subsidiary of the Company), RJ Capital Group, TRIC and TBRJ Asset Management Limited (the “**JV Company**”) for the management of the JV Company and its subsidiaries, and the respective rights and obligations of the shareholders of the JV Company, and the parties to the shareholders’ agreement entered into an amendment agreement dated 1 November 2017, details of which are set out in the announcements of the Company dated 7 July 2017 and 1 November 2017;

- the promoters agreement dated 25 September 2017 entered into between Shenzhen Tengbang Science and Technology Industry Development Company Limited* 深圳騰邦科技產業發展有限公司 (an indirect wholly owned subsidiary of the Company) and Yantai Lerong Equity Investment Management Company Limited* 煙台樂融股權投資管理有限公司 in relation to the establishment of and investment in the general partner, details of which are set out in the announcements of the Company dated 29 November 2017 and 15 December 2017;
- the investment agreement dated 12 October 2017 entered into between Ms. Wang Qing (王晴), Ms. Jiang Wei (蔣蔚) and Mr. Wang Xiaowei (王嘯巍), Yundongli (Tianjin) Electronic Commerce Company Limited* 雲動力(天津)電子商務有限公司 (the “**Target Company**”), the founding shareholders and the Company in relation to the transfer of the aggregate registered capital of the Target Company of RMB1,000,000 and the subscription by the Company of RMB500,000 new registered capital of the Target Company, details of which are set out in the announcements of the Company dated 12 October 2017 and 16 January 2018;
- the supplemental tenancy agreement dated 19 October 2017 entered into between KK VII (BVI) Limited (an indirect wholly owned subsidiary of the Company) as landlord and Tempus Assets (Hong Kong) Limited as tenant to amend the Tenancy Agreement I (the “**Supplemental Tenancy Agreement**”) to, among other things, reduce the lettable area to tenant from 7,192 square feet to approximately 3,596 square feet and revised the monthly rent from HK\$359,600 per month to HK\$197,780 per monthly, details of which are set out in the announcement 19 October 2017;
- the subscription agreement dated 13 November 2017 entered into between the Company as issuer and Wan Tai Investments Limited as original noteholder in relation to the issuance of up to HK\$100,000,000 7% senior guaranteed notes due 2018;
- the placing agreement dated 20 November 2017 entered into between the Company as issuer and Convoy Investment Services Limited as placing agent in relation to the placing of the unlisted bonds with an aggregate principal amount of up to HK\$100,000,000, and the Company notified the placing agent in writing to terminate the placing agreement on 29 December 2017, details of which are set out in the announcements of the Company dated 20 November 2017 and 29 December 2017;
- the limited partnership agreement dated 29 November 2017 entered into between Tengbang Haote (Shenzhen) Comprehensive Health Industry Company Limited* 騰邦豪特(深圳)大健康產業有限公司 (an indirect wholly owned subsidiary of the Company) and general partner in relation to the establishment of and investment in the investment fund, namely Yantai Leteng Equity Investment Management Centre (Limited Partnership)* 煙台樂騰股權投資管理中心 (有限合夥), details of which are set out in the announcements of the Company dated 29 November 2017 and 15 December 2017;
- the conditional and legally binding preliminary agreement dated 7 December 2017 entered into between Hong Kong Emperor International Tourist Company Limited as the seller,

Tempus (BVI) Properties Investment Limited (a wholly owned subsidiary of the Company) as the purchaser and the seller's guarantor in relation to the acquisition of the entire issued share in KK II (BVI) Limited at the consideration of HK\$120,000,000, details of which are set out in the announcement of the Company dated 7 December 2017;

- the amended and restated limited partnership agreement dated 12 December 2017 entered into between the general partner, the initial limited partner and the Company in relation to participation in the fund as common limited partner for a capital commitment of US\$3,580,000 (equivalent to approximately HK\$27,924,000), details of which are set out in the announcement dated 12 December 2017;
- the equity transfer agreement dated 22 December 2017 entered into between Tengbang Haote (Shenzhen) Comprehensive Health Industry Company Limited* 騰邦豪特(深圳)大健康產業有限公司 (an indirect wholly owned subsidiary of the Company) and Yantai Leteng Equity Investment Management Centre (Limited Partnership)* 煙台樂騰股權投資管理中心(有限合夥) in relation the disposal of the 12.5% of the share equity in Shanghai Pinzhi Investment Management Co. Ltd.* 上海品智投資管理有限公司 at a consideration of RMB50,000,000 (equivalent to approximately HK\$59,500,000), details of which are set out in the announcements of the Company dated 22 December 2017 and 25 June 2018;
- the renewal agreement I dated 1 April 2018 entered into between Sky Logistics & Supply Chain Limited (an indirect non-wholly owned subsidiary of the Company) and Tempus Logistics (formerly known as Shenzhen Tempus Logistics Co., Ltd.* 深圳市騰邦物流股份有限公司) in relation to the renewal of the logistics and warehousing services agreement for a term of two months, immediately after the expiry of renewal agreement I, both parties further entered into renewal agreement II for a term of another three months, details of which are set out in the announcements of the Company dated 1 June 2018 and 8 August 2017;
- the shareholders' agreement dated 26 April 2018 entered into between Zhuhai Tempus Jinyue Investment Limited* 珠海騰邦金躍投資有限公司 (“**Tempus Jinyue**”) (an indirect wholly owned subsidiary of the Company) and eight leading supply chain enterprises or its subsidiaries in PRC in relation to the formation of the joint venture engaging in supply chain big data business, pursuant to which, Tempus Jinyue agreed to contribute approximately RMB11.11 million to the joint venture, details of which are set out in the announcements of the Company dated 26 April 2018 and 7 September 2018;
- the subscription agreement dated 15 May 2018 entered into between the Company and Wan Tai Investments Limited for the subscription of the 7% convertible bonds due 2019 in an aggregate principal amount of HK\$160,000,000 for cash, details of which are set out in the announcements of the Company dated 15 May 2018 and 1 June 2018;
- the subscription agreement dated 9 October 2018 entered into between the Company and Wan Tai Investments Limited for the subscription of the 7% convertible bonds due 2019 in an aggregate principal amount of HK\$30,000,000 for cash, details of which are set out in the announcements of the Company dated 9 October 2018 and 16 October 2018;

- the sale and purchase agreement dated 12 October 2018 entered into between 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) as vendor and the Company as purchaser in relation to the acquisition of the 17% equity interest in Shenzhen Tempus Value Chain Co. Ltd.* 深圳市騰邦價值鏈股份有限公司 for a cash consideration of HK\$17,000,000, details of which are set out in the announcement of the Company 12 October 2018;
- the termination agreement I dated 9 November 2018 entered into between KK VII (BVI) Limited (an indirect wholly owned subsidiary of the Company) as landlord and Tempus Assets (Hong Kong) Limited as tenant in relation to termination of the Tenancy Agreement I and the Supplemental Tenancy Agreement, details of which are set out in the announcement of the Company dated 9 November 2018;
- termination agreement II dated 9 November 2018 entered into between KK VIII (BVI) Limited (an indirect wholly owned subsidiary of the Company) as landlord and Tempus Logistics (formerly known as Shenzhen Tempus Logistics Co., Ltd.* 深圳市騰邦物流股份有限公司) as tenant in relation to termination of the Tenancy Agreement II, details of which are set out in the announcement of the Company dated 9 November 2018;
- the repurchase agreement dated 28 December 2018 entered into between Tempus Jinyue (an indirect wholly owned subsidiary of the Company) as seller, Mr. Wang Xiaowei (王嘯巍) and 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) as buyers in relation to the disposal of the 12% equity interest in Yundongli (Tianjin) Electronic Commerce Company Limited* 雲動力(天津)電子商務有限公司 at a cash consideration of RMB67,220,000 (equivalent to approximately HK\$76,386,000), details of which are set out in the announcements of the Company dated 28 December 2018, 2 January 2019 and 28 March 2019;
- the amendment agreement dated 29 March 2019 entered into between the Company as issuer and Wan Tai Investments Limited as original noteholder in relation to amend the HK\$100,000,000 7% senior guaranteed notes due 2018 to HK\$30,000,000 7% senior guaranteed notes due 2019;
- the Provisional SP Agreement;
- the provisional agreement dated 5 July 2019 entered into between OTO Bodycare (H.K.) Limited, a wholly-owned subsidiary of the Company, as the vendor and an individual as the purchaser in relation to the sale and purchase of a commercial property in Hong Kong at a consideration of HK\$10,620,000, details of which are set out in the announcement of the Company dated 5 July 2019; and
- the provisional agreement dated 5 July 2019 entered into between OTO Bodycare (H.K.) Limited, a wholly-owned subsidiary of the Company, as the vendor and an individual as the purchaser in relation to the sale and purchase of a residential property in Hong Kong at a consideration of HK\$10,800,000, details of which are set out in the announcement of the Company dated 5 July 2019.

5. EXPERT(S) AND CONSENT(S)

The qualification of the expert (the “**Expert**”) who has given its opinions in this circular is as follows:

<i>Name</i>	<i>Qualifications</i>
APAC Asset Valuation and Consulting Limited	Professional valuer

The Expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or report and/or references to its name, in the form and context in which they respectively appear.

As at the Latest Practicable Date, the Expert had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and had no direct or indirect interest in any assets which have been, since 31 December 2018, 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.

6. GENERAL

- (a) The secretary of the Company is Mr. Tam Ka Tung. Mr. Tam is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.
- (b) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (c) The headquarters of the Company and its principal place of business in Hong Kong is 28th Floor, No.9 Des Voeux Road West, Hong Kong.
- (d) The principal share registrar and transfer office of the Company is Codan Trust Company (Cayman) Limited of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (e) The Hong Kong branch share registrar and transfer office of the Company is Boardroom Share Registrars (HK) Limited at 2103B, 21/F., 148 Electric Road, North Point, Hong Kong.
- (f) As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.
- (g) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (public holidays excepted) at the principal place of business of the Company at 28th Floor, No.9 Des Voeux Road West, Hong Kong for a period of 14 weekdays (public holidays excepted) from the date of this circular:

- the memorandum and articles of association of the Company;
- the Letter from the Board;
- the letter and valuation certificate in respect of the Property, the text of which is set out in Appendix II to this circular;
- the annual reports of the Company for the three years ended 31 December 2016, 2017 and 2018;
- a copy of each of the material contracts referred to in the paragraph headed “4. Material Contracts” in this Appendix;
- the written consent referred to in the paragraph headed “5. Expert(s) and Consent(s)” in this Appendix;
- this circular.

* *For identification purposes only*