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Jin Bao Bao Holdings Limited
金寶寶控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01239)

**VOLUNTARY ANNOUNCEMENT
MEMORANDUM OF UNDERSTANDING IN RELATION TO
PROPOSED ACQUISITION
OF A PROPERTY COMPANY IN THE PRC
AND
ADVANCE TO AN ENTITY**

On 31 March 2015 (after trading hours), the Company (as the purchaser) entered into the MOU with the Vendors and the Guarantor in relation to a possible acquisition of 100% of the issued share capital of the Target Company.

The Company wishes to emphasize that only the MOU has been entered into as at the date of this announcement. The MOU does not constitute a binding commitment on the Company in respect of the Proposed Acquisition and as the Proposed Acquisition may or may not proceed, Shareholders and potential investors are urged to exercise caution when dealing in the securities of the Company.

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 31 March 2015 (after trading hours), the Company (as purchaser) entered into the MOU with the Vendors and the Guarantor in relation to a possible acquisition of 100% of the issued share capital of the Target Company.

MAJOR TERMS OF THE MOU

Date

31 March 2015 (after trading hours)

Parties

The Vendor 1: Wise Up Holdings Limited

The Vendor 2: Green Kingdom Group Limited

The Purchaser: the Company

The Guarantor: Goocoo Group Limited

The Vendors and the Guarantor confirm that they and their respective ultimate beneficial owners are independent of and not connected with the Company and its connected persons as defined in the Listing Rules.

Due Diligence Review

The Company will perform due diligence review in relation to the Proposed Acquisition covering financial, legal and taxation aspects of the Target Group, the Project Company and a valuation report on the Project Site.

Refundable Earnest Money

A refundable earnest money of not more than HK\$200,000,000 has been paid by the Company to the Vendors in cash upon signing of the MOU.

A share mortgage over the entire issued share capital of the Target Company to be created by the Vendors in favour of the Company immediately after the payment of the Earnest Money.

The amount of the Earnest Money, which is secured by the aforesaid share mortgage and the Guarantor, exceeds 8% of the assets ratio of the Company as defined under Rule 14.07(1) of the Listing Rules and it constitutes an advance to an entity under Rule 13.13 of the Listing Rules.

Exclusivity

The Vendors agree that they or its respective affiliates shall not, and will cause their employees, agents and representatives and the officers of the Target Company or the Project Company and their subsidiaries and affiliates not to, at any time during the Term, solicit, initiate or encourage submission of further proposals or offers from any person, either directly or indirectly enter into any binding commitment (whether on a conditional or unconditional basis) or any negotiation, arrangement or agreement (whether subject to conditions or otherwise) similar or relating to the sales and purchase of the issued share capital of the Target Company or the Project Company or any part thereof, any acquisition or purchase of all or a significant portion of the shareholdings (whether direct or indirect) of the Target Company or the Project Company, with any party other than the Company, or the issue of any share or loan capital or the grant of any warrant, option or other right to subscribe for any share or loan capital of the Target Company or the Project Company, or with respect to the material assets of the Target Company or the Project Company.

Formal Agreement

The Formal Agreement and any other transaction documents (if any) shall include the following principal terms and conditions:

- (i) Purchase price — the consideration of the Proposed Acquisition is to be determined and shall be with reference to the adjusted net assets of the Target Group (after taking into account the valuation price of the valuation report to be issued by an independent valuer engaged by the Company). The consideration of the Proposed Acquisition shall be satisfied by either cash, promissory notes, consideration shares and/or convertible notes carrying the rights to convert into new shares of the Company, or any combination of them.
- (ii) The Earnest Money will form part of the consideration of the Proposed Acquisition in the Formal Agreement.

Binding effect

The parties to the MOU understand and agree that, save for and except for the clauses in relation to due diligence review, refundable Earnest Money, exclusivity, expense, non-disclosure, binding effect, the Term and the governing law and jurisdiction, which shall be binding and enforceable upon signing of the MOU, the MOU is not legally binding nor enforceable, does not constitute an offer, a counter-offer, an acceptance and/or a commitment to enter into any transactions, and that any binding commitment shall be subject to the execution and delivery of the Formal Agreement.

Term

- (i) The MOU will remain in effect for twelve months from the date of signing the MOU (or such longer period as the parties to the MOU may mutually agree to in writing) unless the Company gives a written notice to the Vendors of its intention to abandon further negotiations due to failure of the due diligence review, or until superseded by the execution of Formal Agreement in relation to the transaction contemplated hereunder, whichever is the earlier.
- (ii) Upon expiry of the MOU, the Vendors shall forthwith repay the Earnest Money after deduction of reasonable expense paid by the Vendors on behalf of the Company to the Company within one month. After that the parties to the MOU shall have no further rights or obligations thereunder, except with respect to any antecedent breaches of the binding provisions.
- (iii) The Guarantor guarantees, unconditionally and irrevocably, to the Company, as principal obligor and not merely as surety for payment or collection or otherwise, the due, full, punctual and complete repayment by the Vendors of the Earnest Money in accordance with the terms of the MOU.

Information of the Guarantor

The Guarantor is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of Gocoo Investment. Gocoo Investment together with its subsidiaries (the “**Gocoo Group**”), is an international and comprehensive business group that integrates industrial investments, commerce logistics, animation culture and modern finance. The Gocoo Group is ranked the 2014’s national top 150 private enterprises in the PRC and operates its businesses across the country as well as having its partnership globally. Gocoo Investment is wholly-owned by Mr. Yuan Qihong and his spouse.

Information of the Target Group

According to information provided by the Vendors, the Target Company is a company incorporated under the laws of British Virgin Islands with limited liability. The Target Group will be interested in the Project Company, which is a company incorporated in the PRC with limited liability and principally engaged in the business of developing the Project Site.

Information of the Project Site

The Project Site is situated at Xinzhan District, Hefei City, Anhui Province, the PRC (中國安徽省合肥市新站區). The total land area of the Project Site, consisting of eleven parcels, is approximately 1,749,311 sq.m. and its total gross floor area is approximately 5,101,100 sq.m.. The Project Site is designated for developing luxury hotel, leisure street, grand commerce square, integrated business center and office buildings under the project name Jingshang Business City (京商商貿城).

Based on preliminary review, construction works have already commenced on part of the Project Site.

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE MOU

The Company is an investment holding company, and through its subsidiaries is principally engaged in the business of manufacturing of packaging products and structural components in the PRC.

As mentioned in the composite document of the Company dated 11 February 2015, Trend Rich Enterprises Limited, the then offeror and the existing controlling Shareholder, had expressed its intention to broaden the Group’s income source and to accelerate its growth and future development by exploring and considering any other investment and business opportunities, including but not limited to the property related business in the PRC, that may arise in the market from time to time that it considers value enhancing to Shareholders and/or otherwise in the best interests of the Group.

Having considered the above and the preliminary information regarding the Project Site as provided by the Vendors, the Board considers that the Proposed Acquisition may represent a promising business opportunity for the Group, and the entering into of the MOU shall allow the Company to utilize the exclusivity period and conduct further due diligence review on the Target Group.

The Company wishes to emphasize that only the MOU has been entered into as at the date of this announcement. The MOU does not constitute a binding commitment on the Company in respect of the Proposed Acquisition and as the Proposed Acquisition may or may not proceed, Shareholders and potential investors are urged to exercise caution when dealing in the securities of the Company.

DEFINITION

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	Jin Bao Bao Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Earnest Money”	a refundable earnest money of HK\$200,000,000 paid by the Company upon signing of the MOU
“Formal Agreement”	the formal agreement to be entered into by the Company and the Vendors in relation to the Proposed Acquisition
“Goocoo Investment”	Goocoo Investment Limited* (國購投資有限公司), a company incorporated in the PRC with limited liability
“Guarantor”	Goocoo Group Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Goocoo Investment
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 31 March 2015 setting out the basic terms and conditions under which negotiations on the Proposed Acquisition are carried out
“PRC”	People’s Republic of China
“Project Company”	Hefei Jingshang Ronghe Land Development Company Limited* (合肥京商融合置地有限公司), a company incorporated in the PRC with limited liability and owns the land use rights of the Project Site
“Project Site”	a project site at the Xinzhan District, Hefei City, Anhui Province, the PRC with a total land area of approximately 1,749,311 sq.m. and a total gross floor area of approximately 5,101,100 sq.m.. The Project Site is designated for developing luxury hotel, leisure street, grand commerce square, integrated business center and office buildings under the project name Jingshang Business City (京商商貿城)

* For identification purposes only

“Proposed Acquisition”	the proposed acquisition of 100% of the Target Company by the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Golden Phone Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company and its subsidiaries
“Term”	twelve months from the date of the signing of the MOU (or such longer period as the parties to the MOU may mutually agree to in writing)
“Vendors”	together the Vendor 1 and the Vendor 2
“Vendor 1”	Wise Up Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which owns 45% equity interest in the Target Company and is wholly owned by Mr. Yuan Qihong
“Vendor 2”	Green Kingdom Group Limited, a company incorporated in the British Virgin Islands with limited liability which owns 55% equity interest in the Target Company and is wholly owned by Ms. Hu Yulan
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Jin Bao Bao Holdings Limited
Liu Liangjian
Executive Director and Chairman

Hong Kong, 31 March 2015

As at the date of this announcement, the Board comprises Mr. Liu Liangjian and Mr. He Xiaoming as executive Directors; Mr. Lee Chi Hwa, Joshua, Mr. Lam Chi Wai and Mr. Chan Chun Kau as independent non-executive Directors.

In the event of any inconsistency, the English text of this announcement shall prevail over the Chinese text.