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## **TAKSON HOLDINGS LIMITED**

**第一德勝控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 918)**

### **DISCLOSEABLE TRANSACTION – FORMATION OF A JOINT VENTURE COMPANY**

#### **DISCLOSEABLE TRANSACTION**

The Board is pleased to announce that on 20 January 2017 (after trading hours), Takson Logistics, a wholly-owned subsidiary of the Company, entered into the JV Agreement with Xuzhou Coal Mining in relation to the formation of the JV Company in the PRC to be principally engaged in the construction of integrated new logistics towns covering specific logistics and a series of ancillary urban services to facilitate the transformation of old industrial towns in Eastern China.

Pursuant to the JV Agreement, the maximum total registered capital and initial registered capital of the JV Company will be RMB100,000,000 (equivalent to approximately HK\$110,000,000) and RMB20,000,000 (equivalent to approximately HK\$22,000,000), respectively. Takson Logistics will contribute RMB11,000,000 (equivalent to approximately HK\$12,100,000) of the initial registered capital and Xuzhou Coal Mining will contribute RMB9,000,000 (equivalent to approximately HK\$9,900,000). The JV Company will be owned as to 55% by Takson Logistics and 45% by Xuzhou Coal Mining, respectively, and will be a non-wholly owned subsidiary of the Company.

#### **LISTING RULES IMPLICATIONS**

As one or more than one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the JV Agreement exceeds 5% and all of the percentage ratios are less than 25%, the transaction contemplated under the JV Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14 of the Listing Rules.

\* *For identification purposes only*

## **FORMATION OF THE JV COMPANY**

### **INTRODUCTION**

The Board is pleased to announce that on 20 January 2017 (after trading hours), Takson Logistics entered into the JV Agreement with Xuzhou Coal Mining in relation to the formation of the JV Company in the PRC to be principally engaged in the construction of integrated new logistics towns covering specific logistics and a series of ancillary urban services to facilitate the transformation of old industrial towns in Eastern China.

### **THE JV AGREEMENT**

#### **Date**

20 January 2017 (after trading hours)

#### **JV Parties**

- (1) Takson Logistics; and
- (2) Xuzhou Coal Mining.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Xuzhou Coal Mining and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

#### **Formation**

The JV Parties agreed that the JV Company will be established in Xuzhou, Jiangsu Province. The JV Company will be owned as to 55% by Takson Logistics and 45% by Xuzhou Coal Mining.

#### **Business scope**

The JV Company will be principally engaged in investments in logistics projects, corporate investment management and advisory services; construction projects, land development projects, investment, construction, operation, management and comprehensive ancillary services of buildings and infrastructure projects and other businesses approved by the relevant PRC authorities.

#### **Capital contribution and further financing**

Pursuant to the JV Agreement, the maximum total registered capital and initial registered capital of the JV Company will be RMB100,000,000 (equivalent to approximately HK\$110,000,000) and RMB20,000,000 (equivalent to approximately HK\$22,000,000), respectively. Takson Logistics will

contribute RMB11,000,000 (equivalent to approximately HK\$12,100,000) of the initial registered capital and Xuzhou Coal Mining will contribute RMB9,000,000 (equivalent to approximately HK\$9,900,000). Xuzhou Coal Mining will fulfil its obligation in respect of its capital contribution by way of cash or injecting assets into the JV Company. The JV Company will be owned as to 55% by Takson Logistics and 45% by Xuzhou Coal Mining, respectively, and will be a non-wholly owned subsidiary of the Company. Further capital contributions shall be made by Takson Logistics and Xuzhou Coal Mining as considered necessary in meeting the capital requirements of the JV Company and shall be made in accordance with their respective equity interests in the JV Company.

The initial registered capital contribution to the JV Company by Takson Logistics and Xuzhou Coal Mining shall be made within 10 days of the date of issuance of business license of the JV Company.

The Group intends to finance its share of the capital contribution to the JV Company of RMB11 million by internal resources and external financing.

### **Board of Directors and Board of Supervisors composition**

The board of directors of the JV Company shall comprise seven directors, of which four directors will be appointed by Takson Logistics and three directors will be appointed by Xuzhou Coal Mining. The chairman of the board of directors of the JV Company will be appointed by Takson Logistics and the vice chairman will be appointed by Xuzhou Coal Mining. The board of supervisors of the JV Company shall comprise of three supervisors, of which one supervisor will be appointed by Takson Logistics, two supervisors will be appointed by Xuzhou Coal Mining. The chairman of the board of supervisors of the JV Company will be appointed by Xuzhou Coal Mining.

### **Financial impact on the Group**

The initial investment in the JV Company is expected to be approximately RMB20 million, of which RMB11 million shall be contributed by Takson Logistics and RMB9 million by Xuzhou Coal Mining as initial registered capital of the JV company and a further investment may be made by Takson Logistics and Xuzhou Coal Mining by means of shareholders' loans or financed by bank loans if necessary. Upon the establishment of the JV Company, Takson Logistics and Xuzhou Coal Mining will be entitled to share the profit of the JV Company in proportion to their respective equity interests in the JV Company.

### **INFORMATION ON THE GROUP**

Takson Logistics is a wholly-owned subsidiary of the Group and has been dormant. The Group is principally engaged in sourcing, subcontracting, marketing and selling of garments and sportswear products, and property investment.

## **INFORMATION ON XUZHOU COAL MINING**

Xuzhou Coal Mining is principally engaged in the development of coal resources, electricity and coal chemical products business but has substantial experience in making investments in various industries including mining construction, coal mining machinery, property development, medical services and business trading. It is a state-owned conglomerate ratified by six ministries and committees of the PRC as well as a state-owned investment subject authorized by Jiangsu provincial government. With 132 years mining experiences, Xuzhou Coal Mining is also one of the companies with the longest mining history in the PRC at the fields of underground coal mine operation.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE JV AGREEMENT**

In view of the weak business sentiments on the Group's export sale of garments and sportswear business, the Board builds on the existing property investment business to solicit project resources through various channels to focus on property and related businesses investment in order to broaden the sources of income and to boost the business performance of the Group.

The Group, by investing in the JV Company, can make use of the resources, experience, expertise and business network of Xuzhou Coal Mining to make appropriate investments and may share the investment income of the JV Company in the future and seize the opportunities to develop and expand its business in the PRC.

It is projected that Chinese national strategies including "One Belt and One Road" will bring sustained logistics development opportunities. The Board considers that the formation of the JV Company will offer an attractive opportunity for the Group to take advantages of the business opportunities arising from the Chinese national "One Belt, One Road" strategy.

The Board considers that the terms of the JV Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more than one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the JV Agreement exceeds 5% and all of the percentage ratios are less than 25%, the transaction contemplated under the JV Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	Takson Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed and traded on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“JV Agreement”	the agreement entered into by Takson Logistics and Xuzhou Coal Mining in respect of the formation of the JV Company
“JV Company”	the joint venture company proposed to be established pursuant to the JV Agreement and intended to name as 江蘇友易國際物流有限公司 (Jiangsu Youyi International Logistics Co., Ltd *)
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“JV Parties”	the parties to the JV Agreement, being Takson Logistics and Xuzhou Coal Mining
“PRC”	The People’s Republic of China, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takson Logistics”	Takson Logistics Limited, a company incorporated in Hong Kong with limited liability and a wholly-own subsidiary of the Company
“Xuzhou Coal Mining”	徐州礦務集團有限公司 (Xuzhou Coal Mining Group Limited*), a company established in the PRC with limited liability
“%”	per cent.

*The figures in RMB are converted into HK\$ at the rate of RMB1: HK\$1.1 throughout this announcement for indicative purpose only.*

By order of the Board  
**Takson Holdings Limited**  
**Ren Qingxin**  
*Chairman*

Hong Kong, 23 January 2017

*As at the date of this announcement, the executive Directors are Mr. Ren Qingxin, Mr. Zhou Xinyu and Ms. Niu Fang; the independent non-executive Directors are Ms. Ni Lijun, Mr. Shen Guoquan and Ms. Meng Rongfang.*