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**China Child Care Corporation Limited**  
**中國兒童護理有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1259)**

**DISCLOSEABLE TRANSACTION**  
**ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF**  
**APEX MAGIC INTERNATIONAL LIMITED**  
**INVOLVING ISSUE OF CONSIDERATION SHARES**  
**UNDER GENERAL MANDATE**

**THE ACQUISITION**

The Board is pleased to announce that on 27 April 2017 (after trading hours), the Company and the Vendor entered into the Acquisition Agreement in relation to the sale and purchase of the Sale Share, representing the entire issued share capital of the Target Company for the Consideration of HK\$79,000,000, which shall be satisfied by the Company by cash and the issue of the Consideration Shares.

The Consideration Shares shall be allotted and issued pursuant to the General Mandate, and shall rank pari passu with existing Shares in issue. The Consideration Shares represent (i) approximately 14.64% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.77% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change to the share capital of the company from the date of this announcement and up to Completion). The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Upon completion of the Acquisition, 50% of the issued shares of the BVI Company will be indirectly owned by the Company. The consolidated financial results of the Target Group will be consolidated into the financial statements of the Company.

## **LISTING RULES IMPLICATIONS**

As more than one of the relevant applicable percentage ratios are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempted from the Shareholders' approval requirements under the Listing Rules.

The Board is pleased to announce that on 27 April 2017 (after trading hours), the Company and the Vendor entered into the Acquisition Agreement in relation to the sale and purchase of the Sale Share, representing the entire issued share capital of the Target Company.

## **THE ACQUISITION AGREEMENT**

The principal terms of the Acquisition Agreement are summarised as follows:

### **Date:**

27 April 2017 (after trading hour)

### **Parties:**

- (i) Purchaser: the Company
- (ii) Vendor: Mr. Lam Chi Man

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor is an Independent Third Party.

### **Subject matter**

Pursuant to the Acquisition Agreement, the Vendor agreed to sell and the Company agreed to purchase the Sale Share, being the entire issued share capital of the Target Company.

### **Consideration**

The Consideration is HK\$79,000,000 and shall be payable by the Purchaser to the Vendor in the following manner:

- (i) a refundable deposit of HK\$25,000,000 payable within three (3) business days from the date of the Acquisition Agreement; and
- (ii) HK\$54,000,000 to be satisfied by the issue and allotment of the Consideration Shares credited as fully paid to the Vendor upon Completion.

The Consideration was determined after arm's length negotiations between the Company and the Vendor and was determined with reference to the valuation by an independent professional valuer who valued the Lands and the Properties at HK\$158,000,000 as at 29 March 2017. The valuation was based on market value basis by comparable approach. The Consideration will be funded by the internal resources of the Group.

### **Consideration Shares**

The Consideration Shares represent (i) approximately 14.64% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.17% of the share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change to the share capital of the Company from the date of this announcement and up to Completion). The Consideration Shares will be allotted and issued pursuant to the General Mandate.

The maximum number of Shares that can be issued under the General Mandate is 202,098,200 Shares. As at the date of this announcement, the General Mandate has not been utilised. Accordingly, the General Mandate is sufficient for the allotment and issue of the Consideration Shares and is not subject to the Shareholders' approval.

The issue price of the Consideration Shares of HK\$0.365 per Consideration Share represents:

- (a) a discount of approximately 17.98% to the closing price of HK\$0.445 per Share as quoted on the Stock Exchange on the date of this announcement;
- (b) a discount of approximately 19.43% to the average closing price of HK\$0.453 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of this announcement.

The issue price of the Consideration Shares was arrived at after arm's length negotiations determined between the Company and the Vendor with reference to the current market price of the Shares.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares, when issued on Completion, will rank pari passu in all respects with the existing Shares in issue.

## **Conditions Precedent**

Completion is conditional upon the fulfillment or waiver (as the case may be) of certain conditions which include, inter alia:

- (a) due diligence investigation (including legal, finance and business) on the Target Group, including without limitation, its state of affairs, assets and liabilities, financial position and business operation having been completed to the full satisfaction of the Company;
- (b) the Reorganisation having been completed to the effect that the Target Company shall on Completion be the legal and beneficial owner of 50% of the BVI Company which in turn is the sole legal and beneficial owner of the Hong Kong Companies;
- (c) there being no compulsory acquisition or notice of intended resumption and acquisition by the government authority affecting the Lands and any part of parts thereof;
- (d) all necessary governmental and other consents and approvals required to be obtained on the part of the Vendor and the Company in respect of the Acquisition Agreement and the Acquisition having been obtained;
- (e) the Stock Exchange having granted approval for the listing of, and permission to deal in, the Consideration Shares; and
- (f) the warranties and representations made by the Vendor remaining true and accurate and not misleading in material respect on the date of Completion.

The Company may waive any or all conditions precedent (except for the conditions under (d) & (e) above) which shall be satisfied by the Vendor. If the conditions precedent are not fulfilled or waived on or before 31 July 2017 (or such other date as the parties agree in writing), the Acquisition Agreement shall be of no effect, subject to the liability of any party to the other in respect of the antecedent breaches of the terms pursuant to the Acquisition Agreement. In that case, the Vendor shall forthwith refund the Deposit received from the Purchaser.

## **Completion**

Completion of the Acquisition Agreement shall take place within five (5) Business Days after all conditions precedent are fulfilled or waived by the Company (or such other date as agreed between the Company and the Vendor in writing).

Upon Completion, 50% of the issued shares of the BVI Company will be indirectly owned by the Company. The consolidated financial results of the Target Group will be consolidated into the financial statements of the Company.

## INFORMATION OF THE TARGET COMPANY AND THE TARGET GROUP

The Target Company is a company incorporated on 13 April 2017 in the British Virgin Islands with limited liability and is principally engaged in investment holding.

BVI Company is a company incorporated on 13 April 2017 in the British Virgin Islands with limited liability and is principally engaged in investment holding and has not commenced any operation during the period from its incorporation date to 26 April 2017 and therefore no turnover had been recorded. Administration expenses of HK\$8,500 was incurred for the incorporation of this company.

Speedy Maker Limited is a company incorporated on 4 December 2015 in Hong Kong with limited liability and is principally engaged in properties holding.

Regent Way Limited is a company incorporated on 4 December 2015 in Hong Kong with limited liability and is principally engaged in properties holding.

Grand Ray Investment Limited is a company incorporated on 4 December 2015 in Hong Kong with limited liability and is principally engaged in properties holding.

Set out below is the summary of the key financial information extracted from the unaudited financial information of the Target Company for the period since the incorporation date of the Target Company on 13 April 2017 to 26 April 2017:

|                               | <b>Since the incorporation date<br/>of the Target Company on<br/>13 April 2017 up to 26 April 2017</b> |
|-------------------------------|--|
|                               | <i>HK\$</i>  |
|                               | Unaudited  |
| Turnover                      | N/A  |
| Profit/(loss) before taxation | (8,500)  |
| Profit/(loss) after taxation  | (8,500)  |

The Target Company has not commenced any operation during the period from its incorporation and therefore no turnover had been recorded. The net loss represented the amount of administrative expenses incurred during the relevant period. The above financial information was prepared in accordance with the Hong Kong Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants.

Upon completion of the Reorganisation, the Target Company will hold 50% of the BVI Company which will in turn legally and beneficially own the entire shareholding interest of the Hong Kong Companies. The Vendor undertakes that he shall use his best endeavor to procure that the number of persons to be appointed as the directors of the BVI Company by the Company shall be more than half

of the number of the board of directors of the BVI Company and the chairman of the BVI Company shall be nominated by the Company with a casting vote, thus the board of directors of the BVI Company shall be controlled by the Purchaser at all material time.

The total assets and net assets of the Hong Kong Companies as at 26 April 2017 was approximately HK\$158,000,000 and HK\$154,460,000 respectively. The assets of the Hong Kong Companies mainly consist of the Lands and the Properties located in Yuen Long, Hong Kong. Set out below is the summary of the key financial information extracted from the unaudited accounts of the Hong Kong Companies for the period from incorporation date of 4 December 2015 to 26 April 2017, which was prepared in accordance with the Hong Kong Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants.

**Since the incorporation date on  
4 December 2015 to 26 April 2017**

*HK\$*  
Unaudited

|                               |           |
|-------------------------------|-----------|
| Turnover                      | N/A       |
| Profit/(loss) before taxation | (540,000) |
| Profit/(loss) after taxation  | (540,000) |

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in the design and provision of a broad range of children's personal care products, including skin care products, body and hair care products and oral care products under our own brands in the People's Republic of China and operation of an online platform focusing on the children, babies and parents markets, money lending business, trading of commodities and investment in securities.

The property prices in Yuen Long in both the first-hand and second-hand markets dramatically increase in recent years and are expected to continuously increase in the near future. The Group is optimistic about the development of the property market in Hong Kong due to shortage of supply and therefore, has been identifying the potential property investment and development opportunities in Hong Kong. It is the intention of the Company and the Vendor that the Properties erected on the Lands shall be demolished and the Lands be redeveloped. Relevant applications have been made to the government and to the best knowledge, information and belief of the Directors, there is no legal impediment in obtaining the relevant approval from the government. As a result, the Directors believe that the Acquisition can further expand the Group's business, broaden its revenue streams and bring greater return to the Shareholders. The terms of the Acquisition Agreement were arrived at after arm's length negotiations between the Company and the Vendor. The Directors consider that the terms of the Acquisition Agreement are on normal commercial terms and fair and reasonable and the Acquisition is in the interests of the Company and its Shareholders as a whole.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets forth the shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon allotment and issuance of the Consideration Shares (assuming Completion having occurred and that there is no other change to the share capital of the company from the date of this announcement and up to Completion):

|   | As at the date of this announcement |               | Upon allotment and issue of the Consideration Shares |               |
|---|-------------------------------------|---------------|--|---------------|
|   | Number of Shares                    | Approximate % | Number of Shares                                     | Approximate % |
| <b>Directors</b>  |                                     |               |  |               |
| Mr. Ge Xiaohua  | 400,000                             | 0.04          | 400,000  | 0.03          |
| Mr. Huang Xinwen  | 400,000                             | 0.04          | 400,000  | 0.03          |
| Mr. Ren Yunan   | 100,000                             | 0.01          | 100,000  | 0.01          |
| <b>Other Substantial Shareholders</b>                       |                                     |               |  |               |
| Golden Sparkle Limited                                      | 263,308,500                         | 26.06         | 263,308,500  | 22.73         |
|   | <i>(Note 1)</i>                     |               |  |               |
| Jinlin Investment Company Limited                           | 140,383,500                         | 13.89         | 140,383,500  | 12.12         |
|   | <i>(Note 2)</i>                     |               |  |               |
| Elite Beauty International Trading (Hong Kong) Co., Limited | 80,000,000                          | 7.92          | 80,000,000   | 6.91          |
|   | <i>(Note 3)</i>                     |               |  |               |
| <b>Public Shareholders</b>                                  |                                     |               |  |               |
| The Vendor  | –                                   | –             | 147,945,000  | 12.77         |
| Other public Shareholders                                   | <u>525,899,000</u>                  | <u>52.04</u>  | <u>525,899,000</u>                                   | <u>45.40</u>  |
| Total   | <u>1,010,491,000</u>                | <u>100.00</u> | <u>1,158,436,000</u>                                 | <u>100.00</u> |

*Note 1:* These shares were held by Golden Sparkle Limited, a controlled corporation of Mr. Lai Wai Lam Ricky. Accordingly, Mr. Lai Wai Lam Ricky was deemed to be interested in these Shares pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“SFO”).

*Note 2:* These shares were held by Jinlin Investment Company Limited, a controlled corporation of Mr. Xie Jinling. Accordingly, Mr. Xie Jinling was deemed to be interested in these shares pursuant to Part XV of the SFO.

*Note 3:* These shares were held by Elite Beauty International Trading (Hong Kong) Co., Limited, a controlled corporation of Mr. Li Liang. Accordingly, Mr. Li Liang was deemed to be interested in these shares pursuant to Part XV of the SFO.

## **LISTING RULES IMPLICATIONS**

As more than one of the applicable percentage ratios are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempted from the Shareholders' approval requirements under the Listing Rules.

## **GENERAL MANDATE**

The Consideration Shares will be issued and under under the General Mandate subject to the limit of not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company and therefore, the Shareholders' approval will not be required for the allotment and issuance of the Consideration Shares. Application will be made to the Stock Exchange for the listing of, and permission to deal in the Consideration Shares.

## **DEFINITIONS**

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

|                         |   |
|-------------------------|---|
| “Acquisition”           | the proposed acquisition of the entire issued share capital of the Target Company by the Purchaser  |
| “Acquisition Agreement” | the sale and purchase agreement dated 27 April 2017 for the Acquisition   |
| “Board”                 | the board of Directors  |
| “BVI Company”           | Jumbo Excel Investment Corporation, a company incorporated in the British Virgin Islands with limited liability   |
| “Business Day(s)”       | any day (excluding Saturday, Sunday and public holiday in Hong Kong) on which banks in Hong Kong are open for business  |
| “Company”               | China Child Care Corporation Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 1259) |
| “Completion”            | the completion of the Acquisition in accordance with the terms of the Acquisition Agreement   |
| “connected person(s)”   | has the meaning ascribed to it under the Listing Rules  |



|                             |   |
|-----------------------------|---|
| “Consideration”             | the consideration for the Acquisition which has an aggregate sum of HK\$79,000,000  |
| “Consideration Shares”      | an aggregate of 147,945,205 new Shares to be allotted and issued by the Company to the Vendor (or his nominees) as fully paid for the purpose of the settlement of part of the Consideration  |
| “Deposit”                   | the refundable deposit of HK\$25,000,000 cash payable by the Purchaser pursuant to the Acquisition Agreement  |
| “Director(s)”               | the director(s) of the Company  |
| “General Mandate”           | the ordinary resolution passed in the annual general meeting held on 16 June 2016, in respect of, inter alia, granting a general and unconditional mandate to the Directors to allot, issue and otherwise deal with new Shares not exceeding 20 per cent of the total number of Shares in issue (i.e. 202,098,200 Shares) as at the date of that resolution |
| “Group”                     | the Company and its subsidiaries  |
| “HK\$”                      | Hong Kong Dollar, the lawful currency of Hong Kong  |
| “Hong Kong”                 | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “Hong Kong Companies”       | (i) Speedy Maker Limited; (ii) Regent Way Limited; (iii) Grand Ray Investment Limited, all of which are incorporated in Hong Kong and wholly-owned by the Vendor as at the date of the Acquisition Agreement  |
| “Independent Third Parties” | a party independent of and not connected with the Company and its connected person  |

|                  |   |
|------------------|---|
| “Lands”          | all the lands owned by the Hong Kong Companies, namely, (i) INLAND LOT NO. 2044A in Demarcation District No. 104; (ii) INLAND LOT NO. 2044B in Demarcation District No. 104; (iii) INLAND LOT NO. 2051A in Demarcation District No. 104; (iv) INLAND LOT NO. 2052A in Demarcation District No. 104; (v) INLAND LOT NO. 2059A in Demarcation District No. 104; (vi) INLAND LOT NO. 2059B in Demarcation District No. 104; (vii) INLAND LOT NO. 2059C in Demarcation District No. 104; (viii) INLAND LOT NO. 2059D in Demarcation District No. 104; (ix) INLAND LOT NO. 2061A in Demarcation District No. 104; and (x) INLAND LOT NO. 2061B in Demarcation District No. 104 |
| “Listing Rules”  | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Property”       | 10 old schedule small houses developed and built on the Lands between year 1930 to year 1950, which are vacant as at the date of this announcement  |
| “Reorganisation” | the reorganization of the Hong Kong Companies to the effect that the Vendor will be the sole legal and beneficial owner of the Vendor’s BVI and the Target Company whereby each of Vendor’s BVI and the Target Company will hold 50% shareholding interest in the BVI Company, which in turn is the sole legal and beneficial owner of the Hong Kong Companies  |
| “Sale Share”     | 1 share of the Target Company, representing the entire issued share capital of the Target Company   |
| “Shares”         | ordinary share(s) of HK\$0.01 each in the capital of the Company  |
| “Shareholder(s)” | holder(s) of Share(s) in issue  |

|                  |  |
|------------------|--|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited  |
| “Target Company” | Apex Magic International Limited, a company incorporated under the laws of the British Virgin Islands with limited liability |
| “Target Group”   | the Target Company, the BVI Company and Hong Kong Companies  |
| “Vendor”         | Mr. Lam Chi Man  |
| “Vendor’s BVI”   | Marvel Miracle International Limited, a company incorporated in the British Virgin Islands with limited liability            |
| “%”              | percentage   |

By Order of the Board  
**China Child Care Corporation Limited**  
**Tsai Wallen**  
*Chairman*

Hong Kong, 27 April 2017

*As at the date of this announcement, the Board comprises (i) five executive directors, namely Mr. Tsai Wallen, Mr. Ge Xiaohua, Mr. Huang Xinwen, Mr. Li Zhouxin and Mr. Ma Chi Ming; (ii) one non-executive director, namely Mr. Ren Yunan; and (iii) three independent non-executive directors, namely Ms. Chan Sze Man, Mr. Tsao Benedict and Mr. Ma Kwun Yung Stephen.*