

## NUTRYFARM INTERNATIONAL LIMITED

(Company Registration Number: 32308)

(Incorporated in Bermuda)

(the “**Company**” or “**NutryFarm**”)

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### PROPOSED DIVERSIFICATION OF BUSINESS AND PROPOSED ACQUISITION OF 100% INTEREST IN XINJIANG ZHONGTONG INTERNET SCIENCE AND TECHNOLOGY DEVELOPMENT CO., LTD.

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#### 1. INTRODUCTION

- 1.1 The board of directors (the “**Directors**”) (the “**Board**”) of the Company (together with its subsidiaries, collectively, the “**Group**”, and each company within the Group, a “**Group Company**”) wishes to announce that, further to discussions and negotiations with First Linkage Inc. (the “**Vendor**”), taking into account the current market conditions, it has entered, through LottVision Internet Management Limited (the “**Purchaser**” or “**LottVision**”), into a sale and purchase agreement with the Vendor on 21 June 2019 (the “**SPA**”) in connection with the acquisition (the “**Proposed Acquisition**”) of an aggregate of RMB1,000,000 of the fully paid-up capital of Xinjiang Zhongtong Internet Science and Technology Development Co., Ltd. (“**Xinjiang Zhongtong**” or “**XJZT**”), representing 100% of the equity interests of Xinjiang Zhongtong (the “**Sale Shares**”) from Beijing Zhonglian Shengtong Internet Technology Co., Ltd. (“**Zhonglian Shengtong**”), whereby the Vendor has agreed to procure that Zhonglian Shengtong sell, and LottVision has agreed to purchase, the Sale Shares for the aggregate consideration of RMB50,000,000 (the “**Consideration**”).
- 1.2 In connection with the Proposed Acquisition, the Board wishes to announce that subject to the approval of the shareholders of the Company (the “**Shareholders**”), the Company intends to diversify its business and expand its core business to include telephone billing and digital marketing (which form XJZT’s core business), as well as services in communication network optimization, internet information technology services, software development, and system integration (which form part of XJZT’s business) (the “**Proposed Diversification**”).
- 1.3 Upon completion of the Proposed Acquisition (“**Completion**”), the Company’s interest in XJZT through the Purchaser will increase from 0% to 100% and XJZT will be a wholly-owned subsidiary of the Purchaser.
- 1.4 The terms of the Proposed Acquisition and Proposed Diversification do not contravene any laws and regulations governing the Company and the bye-laws of the Company.
- 1.5 The Proposed Acquisition and Proposed Diversification will be conditional upon approval by the Company’s Shareholders in a general meeting to be convened by the Company.

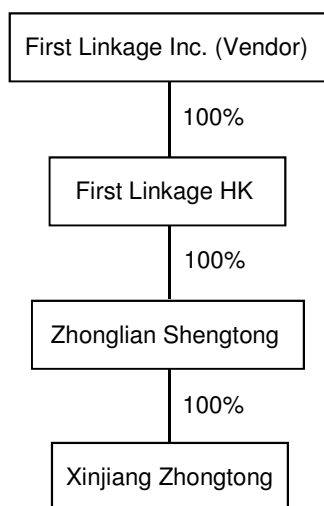
#### 2. THE PROPOSED ACQUISITION AND PROPOSED DIVERSIFICATION

##### 2.1 Background Information on the Proposed Acquisition

- 2.1.1 Xinjiang Zhongtong was incorporated on 27 June 2017 under the laws of the People’s Republic of China (the “**PRC**”). As at the date hereof, XJZT has a fully paid-up capital of RMB1,000,000. XJZT’s core business is in telephone billing and digital marketing. In addition to such core business, XJZT’s business also provides services in communication network optimization, internet information technology services, software development, system integration, etc.
- 2.1.2 The legal and beneficial owner of 100% of the equity interests of Xinjiang Zhongtong is Zhonglian Shengtong, which is a company incorporated on 26 October 2017 under the laws of the PRC. The principal business of Zhonglian Shengtong is to provide exclusive technical and other services to Beijing Shengyuantong Science and Technology Development Co., Ltd.
- 2.1.3 The legal and beneficial owner of 100% of equity interests of Zhonglian Shengtong is First Linkage Hong Kong Limited (“**First Linkage HK**”), a company incorporated on 30 June 2017 under the laws of the Hong Kong Special Administrative Region of the PRC.

2.1.4 The Vendor is the legal and beneficial owner of 100% of the fully issued and paid up share capital (amounting to HK\$10,000 divided into 10,000 ordinary shares of HK\$1,00 each) of First Linkage HK. The Vendor was incorporated on 17 February 2017 under the laws of the British Virgin Islands. The Vendor is an investment holding company.

2.1.5 The group structure involving the Vendor, First Linkage HK, Zhonglian Shengtong and XJZT is as follows:



2.1.6 Upon Completion, the Company's interest in XJZT through the Purchaser will increase from 0% to 100%. The book value, net tangible asset value, and the latest available open market value of the Acquired Asset as at 31 March 2019 are RMB4.5 million, RMB4.5 million, and RMB50.0 million respectively.

## 2.2 **Background Information on the Proposed Diversification**

2.2.1 In connection with the Proposed Acquisition, the Company intends to diversify into the businesses of telephone billing and digital marketing (which form XJZT's core business), as well as services in communication network optimization, internet information technology services, software development, and system integration (which form part of XJZT's business).

2.2.2 The current core business of the Group comprises the nutrition and health food products business, which includes research and development, and the manufacture and sale of its nutrition and health food products. The Group also has an existing internet management business, through LottVision, which currently supports the Group's nutrition and health food products business by, *inter alia*, maintaining the Group's website, managing the online sales of NutryFarm (Chengdu) Biomedicine Ltd. ("NFC") through digital marketing channels such as online storefronts on Chinese websites and apps, as well as the using WeChat groups to promote the Group's nutrition and health food products, through which revenue is generated for the Group. The Group, through its wholly-owned subsidiaries, NutryFarm Biomedicine Holdings Ltd. and NFC, has continued to be steadfast in growing its health food business and actively explores strategic partnerships to further expand and grow the health food business. As set out in the Company's annual report for the financial year ended 31 March 2018, through these subsidiaries, the Group has been constantly innovating and researching to improve the quality and diversity of its products to penetrate new market segments. Further details on the Group's current core business are set out in section 4.9.

2.2.3 The business carried on by XJZT is a diversification from the Group's current business as, *inter alia*, XJZT's business is different from the Group's existing internet management business described in section 2.2.2. Through the Proposed Diversification, the Company intends to expand the Group's existing internet management business by allowing the Group to provide XJZT's services to external parties. In addition, the Company also intends to further promote and build up its online sales

business of nutrition and health food products through XJZT's core business of telephone billing and digital marketing.

2.2.4 In addition to the core business above, XJZT's business also provides services in communication network optimization, internet information technology services, software development, and system integration. In connection with the Proposed Acquisition, the Company will be diversifying its business to include the above services under XJZT's business.

2.2.5 The investment opportunity presented by the Proposed Acquisition and Proposed Diversification was sourced by the Directors, as part of the continual efforts of the Board to seek potential business opportunities in or related to the Group's existing areas of business.

### **3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION**

#### **3.1 Consideration for the Proposed Acquisition**

3.1.1 The Consideration for the purchase of the Sale Shares is RMB50,000,000. The Consideration shall be satisfied by payment of RMB50,000,000 in cash by telegraphic transfer in immediately available funds free of bank charges to such bank account(s) of the Vendor (the particulars of such accounts having been notified to the Purchaser not later than thirty (30) Business Days prior to the Completion Date (being the date on which Completion shall take place, being the date notified by the Purchaser to the Vendor in writing or such other date as the Purchaser and Vendor may mutually agree in writing, but in any event, not later than 31 December 2019)).

3.1.2 The Consideration was arrived at on a willing-seller-willing-buyer basis after arms' length negotiations between the Purchaser and the Vendor taking into consideration, *inter alia*, the net asset value of the Sale Shares.

3.1.3 The net profits attributable to XJZT for the financial year ended 31 March 2019 is RMB4.1 million. The Consideration represents a 12.08 times of the net profits.

3.1.4 The Board holds the view that the Consideration is reasonable based on the net asset value and the net profits of the Sale Shares. The Consideration will be fully settled in cash, which will be drawn from the Company's capital reserves.

#### **3.2 Conditions Precedent**

3.2.1 Completion is conditional upon the satisfaction of the Purchase of the fulfilment of the following conditions precedent:

(a) the results of the Purchaser's financial, legal and/or other due diligence exercise(s) on XJZT and its affairs being satisfactory to the Purchaser, and the rectification of any irregularities identified therein;

(b) the provision by the Vendor of evidence satisfactory to the Purchaser that:

(i) the Vendor is registered as the legal and beneficial owner of 100% of the issued and fully paid-up share capital of First Linkage HK;

(ii) First Linkage HK is registered as the legal and beneficial owner of 100% of the equity interests of Zhonglian Shengtong; and

(iii) Zhonglian Shengtong is registered as the legal and beneficial owner of 100% of the equity interests of XJZT,

without any encumbrances;

(c) on or prior to Completion, the Purchaser having received to its satisfaction a legal opinion from qualified PRC lawyers stating that the business of XJZT is not subject to any restriction under the laws of the PRC;

- (d) there having not been at any time after the date of execution of the SPA any adverse change, or events or acts likely to lead to such a change, in the business, prospects, financial position or results of operations of and there being no material adverse change in the turnover, profitability, financial position assets (considered in the aggregate), liabilities, or equity of XJZT from that set forth in the accounts of XJZT;
- (e) all other consents and approvals required under any and all applicable laws (including, without limitation, the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the sale and purchase of the Sale Shares and to give effect to the transactions contemplated thereunder (including, without limitation, such waivers as may be necessary of terms which would otherwise constitute a default under any instrument, contract, document or agreement to which the Vendor, First Linkage HK, Zhonglian Shengtong or XJZT is a party or by which the Vendor, First Linkage HK, Zhonglian Shengtong or XJZT or its or their respective assets are bound being obtained and where any consent or approval is subject to conditions, such conditions being satisfactory to the Purchaser in its sole and absolute discretion;
- (f) no law, judgments, orders, decrees or bans promulgated or issued by any legislative, executive or regulatory body or authority prior to Completion:
  - (i) restricting or prohibiting the entering into of the SPA; or
  - (ii) having adverse impact in any material aspect on any of the Vendor’s or the Purchaser’s rights and powers under the SPA or their respective capacities to enter into and perform their obligations under the SPA;
- (g) the warranties given by the Vendor contained in the SPA remaining true and not misleading in any respect at Completion, as if repeated at Completion and at all times between the date of the SPA and Completion; and
- (h) there not having been at any time prior to or on Completion the occurrence of any of the following events:
  - (i) liquidation, bankruptcy, or insolvency of XJZT, Zhonglian Shengtong, First Linkage HK, or the Vendor;
  - (ii) termination of substantially all or part of the business of XJZT, Zhonglian Shengtong, First Linkage HK, or the Vendor, by resolution of the general meeting of their respective shareholders or otherwise;
  - (iii) appointment of any assignee, receiver or liquidator for substantially all or part of the assets or business of XJZT, Zhonglian Shengtong, First Linkage HK, or the Vendor;
  - (iv) attachment, sequestration, execution or seizure of substantially all or part of the assets of XJZT, Zhonglian Shengtong, First Linkage HK, or the Vendor; or
  - (v) suspension or withdrawal of the rights and privileges of XJZT, Zhonglian Shengtong, First Linkage HK, or the Vendor which are material in the conduct of their respective present businesses by any authority or regulator.

3.2.2 The Vendor shall use all reasonable endeavours to ensure the satisfaction of the conditions set out in section 3.2.1. The Purchaser may in its absolute discretion waive (in whole or in part) any or all of the conditions set out in section 3.2.1 and such waiver may be given subject to such conditions as the Purchaser may stipulate.

3.2.3 Unless specifically waived by the Purchaser, if any of the conditions stated above in section 3.2.1 shall not be fulfilled on or before the Completion Date, the SPA shall *ipso facto* cease and determine and neither party shall have any claim against the other for costs, damages, compensation or

otherwise, save for any claim by the Purchaser against the Vendor arising from any antecedent breach of the terms thereof.

### **3.3 Indemnity**

- 3.3.1 The Vendor undertakes to, and shall procure that First Linkage HK and Zhonglian Shengtong shall, keep the Purchaser and each Group Company fully and effectively indemnified against any and all losses, costs, damages, claims, demands, actions, proceedings, liabilities and expenses whatsoever (including but not limited to all legal costs or attorney's fees on a full indemnity basis) that the Purchaser and/or any Group Company may incur or suffer in connection with or arising from:
- (a) any breach (actual or alleged) or inaccuracies of any of the warranties given by the Vendor in the SPA and/or any default by the Vendor of any of its obligations under the SPA; or
  - (b) any proceeding against any Group Company brought by any third party arising out of any such breach or default referred to in (a) above.

## **4. RATIONALE OF THE PROPOSED ACQUISITION AND PROPOSED DIVERSIFICATION**

- 4.1 Although the Group has in recent years consolidated and divested most of its internet and web TV subsidiaries, the Group has maintained an existing internet management business alongside its core businesses in nutrition and health food products. The Group's existing internet management business is conducted through LottVision, and supports the Group's nutrition and health food products business through the maintenance of the Group's website and managing the online sales of NFC, a wholly-owned subsidiary of the Company, through which revenue is generated for the Group. In line with its mission to develop a sound business model and to continually seek and develop opportunities in high-growth markets, the Group has been seeking potential business opportunities in or related to its existing areas of business.
- 4.2 Together with the increase in the numbers of internet users, online businesses and e-commerce activities in the PRC, the Group believes there has been and will be a growth in the demand and increase in the requirements for online marketing and billing services, as well as internet and information technology-related services. The Group believes that in line therewith, there will be a growth in the demand for internet access services, network services and internet solutions. The Statistical Report on Internet Development in China released by the China Internet Network Information Centre in January 2017<sup>1</sup> (in particular, on pages 11 and 39 thereof) and January 2018<sup>2</sup> (in particular, on pages 17 and 30 thereof) has reflected an upward trend in the international internet gateway bandwidth in the PRC, as well as the size of Chinese internet users and the internet penetration rate in the PRC. In line therewith, there would be an increase in the demand for related services such as the telephone billing, digital marketing and internet and information-technology support services provided by XJZT.
- 4.3 XJZT has a good track record in its core businesses of telephone billing and digital marketing, and in providing services in communication network optimization, internet information technology services, software development, and system integration, etc. The Group sees potential for the diversification of its income streams through the Proposed Acquisition.
- 4.4 In addition, the Proposed Acquisition would also bring synergies to the Group's existing internet management business conducted through LottVision, as well as the nutrition and health food products business conducted through NFC, by enhancing the support that LottVision provides for NFC. If the Group acquires XJZT, it would be able to leverage on the telephone billing and digital marketing expertise of XJZT to promote the NutryFarm online store and its products and to expand the marketing and billing channels of NFC, and it doing so, broaden the customer base for the nutrition and health food products business and increase its sales.

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<sup>1</sup> Accessible at <https://cnnic.com.cn/IDR/ReportDownloads/201706/P020170608523740585924.pdf>.

<sup>2</sup> Accessible at <https://cnnic.com.cn/IDR/ReportDownloads/201807/P020180711391069195909.pdf>.

- 4.5 The Company and Group are of the view that XJZT's business is expected to provide additional and recurrent revenue streams for the Group which may include revenue from XJZT's online and offline sales channels which its customers use to bill or make sales to end-users. The Company will venture into the business areas of telephone billing and digital marketing prudently, with a view of enhancing shareholder value over the long-term and achieving long-term growth. The Proposed Diversification may provide the Group with a more diversified business and income base for future growth and reduce the Group's reliance on its core business for its revenue streams. As the Group explores into other growth areas, this will facilitate the Group's quest for sustained performance in the future, and also allow the Group to be more resilient in the face of challenging conditions in the industry(ies) that it has existing businesses in.
- 4.6 The Proposed Diversification is part of the corporate strategy of the Group to provide Shareholders with diversified returns and to enhance the Group's long term prospects for profitability and growth. It is hoped that the additional income stream(s) will provide the Group with additional funds, which can be channelled towards the enhancement of shareholder value over the long term.
- 4.7 In connection with, among many other things, the ongoing rise of smartphone usage and online shopping, and the advent of 5G internet, there has been an expansion in demand for related services, including telephone and online billing services, cashless payment services, development of software and applications, integration of software and applications across different platforms, etc. In this regard, the telephone billing, digital marketing and internet and information technology-related services industries are industries that will only grow bigger in size.
- 4.8 The Company is of the view that the Proposed Acquisition and Proposed Diversification would serve as a springboard for the Company to venture into these fast-growing industries. The Proposed Diversification will enable the Group to pursue business opportunities in the area of internet and information technology-related services, including opportunities similar to the Proposed Acquisition, in the ordinary course of the Group's business and without having to seek further approval from Shareholders, which could have the potential to unduly delay the decision-making and acquisition process. This can be done as long as such transactions do not change the Group's risk profile, and will eliminate the need for the Company to convene separate general meetings to seek Shareholders' approval (unless otherwise required by the Listing Manual of the SGX-ST) as and when such opportunities arise. This will provide the Group with the flexibility to pursue business opportunities that may be time-sensitive in nature, and is also likely to reduce expenses associated with the convening of general meetings. This is in line with the Group's mission to develop a sound business model and to continually seek and develop opportunities in other fast-growing industries as to maximise benefits to Shareholders.
- 4.9 Notwithstanding the intended development of a secondary line of business with the Proposed Acquisition and the Proposed Diversification, the Group will also retain its current core business of the nutrition and health food products business. The Group continues to focus efforts on research and development, and the manufacture and sale of its nutrition and health food products. The Group, through its wholly-owned subsidiaries, NutryFarm Biomedicine Holdings Ltd. and NFC, has continued to be steadfast in growing its health food business and actively explores strategic partnerships to further expand and grow the health food business. As set out in the Company's annual report for the financial year ended 31 March 2018 ("**FY2018**"), through these subsidiaries, the Group has been constantly innovating and researching to improve the quality and diversity of its products to penetrate new market segments. In FY2018, the Group launched a new product line focusing on beauty, women's health, weight-loss and anti-oxidant, under which eleven new products related to immunisation, brain and heart blood, blood sugar control and protein supplement were launched. The Group has been working to launch more products related to immunisation, joint, heart, blood pressure, weight loss, diabetes and anti-oxidation. Since April 2019, the Group has also been working to expand its products to food and food supplements, especially imported products such as flaxseed oil, blue berry juice and powder etc. In tandem with the foregoing, the Group continues to employ its two-pronged strategy of investing in research and development to bolster its self-manufacturing product range, and expanding its imported product range, especially from business partners in North America, to strive to tap on positive trends in the PRC market to gain greater market share.

- 4.10 Having identified the promising potential for growth in the internet and information technology-related services industry, and XZJT as a potential strategic addition to the Group with a good track record and professional expertise, the Group is of the view that it is currently an opportune period for the investment of resources into this industry by way of this strategic acquisition.

Minimum trading price

- 4.11 As announced previously on, *inter alia*, 3 June 2017, 14 August 2017, 13 November 2017, 12 February 2018, 28 May 2018, 14 August 2018, 13 November 2018, 13 February 2019 and 29 May 2019 (such announcements, the “**MTP Update Announcements**”), the Company was notified by the SGX-ST that the Company will be placed on the watch-list with effect from 5 June 2017 pursuant to Rule 1311(2) of the Listing Manual of the SGX-ST due to the Company having recorded a volume-weighted average price of less than S\$0.20 over the six (6) months prior to June 2017 and an average daily market capitalisation of less than S\$40 million over the six (6) months prior to June 2017. The SGX-ST informed the Company that it must take active steps to meet the Rule 1314(2) requirement within thirty-six (36) months from 5 June 2017, failing which the SGX-ST would delist the Company or suspend trading in the Company’s shares with a view to delisting the Company. In particular, pursuant to the Rule 1314(2) requirement, the Company will be assessed by the SGX-ST for removal from the watch-list if it records a volume-weighted average price of at least S\$0.20 and an average daily market capitalisation of S\$40 million or more over a period of six (6) months.
- 4.12 To meet the average daily market capitalisation requirement of the Rule 1314(2) requirement, the Company has previously conducted a renounceable non-underwritten rights issue of 32,140,701 new ordinary shares in the capital of the Company (as announced on 30 March 2017, 29 June 2017, 7 August 2017, 23 November 2017, 5 December 2017, 27 December 2017 and 30 December 2017) to increase its market capitalisation.
- 4.13 The Proposed Acquisition and Proposed Diversification are part of the active and continual efforts of the Company to, as previously announced in the MTP Update Announcements, increase the Company’s profitability so as to meet the volume-weighted average price requirement of the Rule 1314(2) Requirement. Through the Proposed Acquisition and Proposed Diversification, the Company hopes to increase its profitability and attract more investors so as to enhance long-term Shareholder value.

**5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

- 5.1 The pro-forma financial effects of the Proposed Acquisition is for illustration purposes only and do not reflect the actual financial results of the Company after Completion.
- 5.2 The following pro-forma financial effects have been prepared based on the audited consolidated financial statements of the Company for FY2018, and assuming that the Proposed Acquisition had been completed on:
- (a) 1 April 2017 for illustrating the financial effect on the consolidated earnings and earnings per share of the Group; and
  - (b) 31 March 2018 for illustrating the financial effect on the consolidated net tangible assets and consolidated net asset value of the Group.

**Earnings / (Losses) per Share**

	<b>Earnings / (Losses) attributable to Shareholders</b> (HK\$'000)	<b>Weighted average number of Shares</b>	<b>Earnings / (Losses) per Share</b> (HK\$ cents)
Before the Proposed Acquisition	(8,280)	96,422,103	(8.59)
After the Proposed Acquisition	(4,444)	96,422,103	(4.61)

## NTA

	<b>NTA</b> (HK\$'000)	<b>Number of Shares</b> <b>as at 31 March</b> <b>2018</b>	<b>NTA per Share</b> (HK\$ cents)
Before the Proposed Acquisition	112,731	96,422,103	116.91
After the Proposed Acquisition	56,308	96,422,103	58.40

## 6. RELATIVE FIGURES ON THE BASES SET OUT IN RULE 1006

- 6.1 Based on the latest announced consolidated results of the Group, the relative figures applicable to the Proposed Acquisition computed on the bases pursuant to Rule 1006 (a) to (e) of the Listing Manual of the SGX-ST are as follows:

<b>Listing Rule</b>	<b>Basis</b>	<b>Relative Figures (%)</b>
Rule 1006(a)	Net asset value of assets being disposed of, as compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable.
Rule 1006(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	-46.33% <sup>(1)</sup>
Rule 1006(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	66.59% <sup>(2)</sup>
Rule 1006(d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as no equity securities are to be issued as consideration.
Rule 1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable.

### Note:

<sup>(1)</sup> The negative number is due to the Group having recorded a HK\$8.2 million net loss for the year ended 31 March 2018. XJZT recorded HK\$3.8 million in net profits for the year ended 31 March 2018. Therefore it is a negative number recorded in Rule 1006(b).

<sup>(2)</sup> The figure is based on the Company's market capitalisation derived from the volume weighted average price of the Company's shares transacted on 19 June 2019, as no trades occurred on 20 June 2019.

As the figure in Rule 1006(c) is more than 20%, the Proposed Acquisition will constitute a "Major Transaction" to the Company within the meaning of Chapter 10 of the Listing Manual of the SGX-ST, as computed on the above bases. Accordingly, the Proposed Acquisition and the Proposed Diversification will be made conditional upon approval by the Shareholders of the Company in a special general meeting to be convened.



## **7. SERVICE CONTRACTS**

- 7.1 There are no Directors proposed to be appointed to the Company in connection with the Proposed Acquisition and Proposed Diversification. Accordingly, no service contract is proposed to be entered into between the Company and any Director.

## **8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

- 8.1 It is noted that Mr. Xu Haimin, a non-executive, non-independent director of the Company, has previously been appointed as director of XJZT, and its parent company, Zhonglian Shengtong, purely for the purposes of safeguarding the Company's interests in connection with the previously proposed acquisition of 45% of the equity interests of First Linkage Inc. (as announced on 15 March 2018, 20 July 2018 and 10 February 2019) and as such, is not interested in the Proposed Acquisition.
- 8.2 Subject to the disclosure in section 8.1, none of the Directors, and to the best knowledge of the Directors, none of the controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition and Proposed Diversification.
- 8.3 To the best knowledge of the Directors, there is no relationship between XJZT or its directors to any of the customers of XJZT. There is also no relationship between the Company or the Purchaser and their directors or controlling shareholder(s) to any of the customers of XJZT.

## **9. DIRECTORS' RESPONSIBILITY STATEMENT**

- 9.1 The Directors (including those who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.
- 9.2 Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.

## **10. DOCUMENTS AVAILABLE FOR INSPECTION**

- 10.1 While the registered office of the Company is in Bermuda, the principal office of the Company is in Hong Kong and the office of the Company's share transfer agent is in Singapore. Taking into account that Hong Kong and Singapore are more accessible locations than Bermuda, copies of the following documents will be available for inspection at the principal office of the Company at Room 1916, 19/F, Star House, 3 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong, and the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours for three (3) months from the date of the announcement:
- (a) the memorandum and bye-laws of the Company; and
  - (b) the SPA.

## **BY ORDER OF THE BOARD**

**Paul Gao Xiangnong**

Chief Executive Officer and Executive Director  
21 June 2019