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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**  
**DISPOSAL OF CONVERTIBLE NOTES**

**THE SALE AND PURCHASE AGREEMENT**

Reference is made to the announcement of the Company dated 6 February 2017 in relation to acquisition of the Convertible Notes and the voluntary announcement of the Company dated 1 June 2017 in relation to the deed of amendment of the Convertible Notes.

The Board announces that on 30 October 2017 (after trading hours), the Company and the Purchaser entered into the Sale and Purchase Agreement in relation to the disposal of the Convertible Notes in the principal amount of HK\$58,500,000 to the Purchaser for a cash consideration of approximately HK\$61,895,000.

**LISTING RULES IMPLICATIONS**

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

Reference is made to the announcement of the Company dated 6 February 2017 in relation to acquisition of the Convertible Notes and the voluntary announcement of the Company dated 1 June 2017 in relation to the deed of amendment of the Convertible Notes.

The Board announces that on 30 October 2017 (after trading hours), the Company and the Purchaser entered into the Sale and Purchase Agreement, the principal terms of which are set out as follows:

#### **THE SALE AND PURCHASE AGREEMENT**

**Date:** 30 October 2017 (after trading hours)

**Parties:** the Company (as vendor); and  
the Purchaser (as purchaser).

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

#### **Assets to be disposed of:**

The Convertible Notes in the principal amount of HK\$58,500,000 which are owned by the Company prior to the Company and the Purchaser entered into the Sale and Purchase Agreement.

Upon full exercise of the conversion right attaching to the Convertible Notes, the maximum number of Conversion Shares to be allotted and issued by Wanjia Group pursuant to the full conversion of the HK\$58,500,000 Convertible Notes is 90,000,000 shares at the initial Conversion Price (subject to adjustment) of HK\$0.65 per Conversion Share, which represents approximately 13.88% of the total issued share capital of Wanjia Group and represents approximately 12.19% of the total issued share capital of Wanjia Group as enlarged by the allotment and issue of the Conversion Shares.

**Consideration:**

The total Consideration for the Convertible Notes shall be settled in cash by the Purchaser at Completion Date.

The Consideration was determined after arm's length negotiations between the Company and the Purchaser and by making reference to (i) the principal amount of the Convertible Notes; (ii) the interest to be received for the period covering from the subscription date to the Completion Date of the Convertible Notes by the Company; and (iii) internal rate of return for the Company for the period covering from the acquisition date to the Completion Date of the Convertible Notes by the Company.

**Completion:**

Completion of the Sale and Purchase Agreement took place on 30 October 2017 immediately after entering into the Sale and Purchase Agreement.

**INFORMATION OF THE CONVERTIBLE NOTES AND WANJIA GROUP**

The principal terms and conditions of the Convertible Notes are set out in the announcement of the Company dated 6 February 2017 and the voluntary announcement of the Company date 1 June 2017 in relation to the deed of amendment of the Convertible Notes. As at the date of this announcement, there has been no material change to such terms and conditions and the Company has not exercised any conversion right attaching to the Convertible Notes.

Wanjia Group is principally engaged in pharmaceutical wholesales and distribution business, pharmaceutical retail chain business and hemodialysis treatment and consultancy service business in the PRC.

The following audited financial information is extracted from the financial reports of Wanjia Group:

	<b>For the year ended 31 March 2017 (Audited) HK\$'000</b>	For the year ended 31 March 2016 (Audited) HK\$'000
Revenue	<b>985,909</b>	1,321,763
Gross profit	<b>126,269</b>	146,128
Loss before income tax	<b>(24,375)</b>	(12,304)
Loss after income tax	<b>(25,725)</b>	(13,462)
	<b>As at 31 March 2017 (Audited) HK\$'000</b>	As at 31 March 2016 (Audited) HK\$'000
Net assets	<b>237,784</b>	290,524

## **INFORMATION OF THE COMPANY**

The principal activity of the Company is investment holdings. The Group is principally engaged in the manufacturing and sale of personal care products, money lending, operation of an online platform, trading of commodities, investment in securities, properties holding and investment holding.

## **INFORMATION OF THE PURCHASER**

The Purchaser, an indirect wholly-owned subsidiary of Get Nice and is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

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

The Convertible Notes were acquired by the Group in February 2017 and were recorded as “available-for-sale investments” under current assets on the consolidated financial statements of the Group. The Directors considered that the Disposal provided an opportunity for the Group to enhance the liquidity of the Company.

Based on the aforesaid, the Directors believe that the Disposal is on normal commercial terms and the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DISPOSAL**

It is expected that there is no gain or loss arising from the Disposal.

## **USE OF PROCEEDS**

It is expected that the net proceeds from the Disposal will be used for repayment of the bank borrowing.

## **LISTING RULES IMPLICATIONS**

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

## **DEFINITIONS**

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

“Board”	the board of Directors
“Company”	China Child Care Corporation Limited (中國兒童護理有限公司), a company incorporated with limited liability in Cayman Islands, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1259)
“Completion Date”	the date of completion of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	the consideration payable by the Purchaser for the Convertible Notes under the Sale and Purchase Agreement
“Conversion Shares”	new shares of Wanjia Group to be allotted and issued by Wanjia Group upon conversion of the Convertible Notes in accordance with the terms of the Convertible Notes
“Convertible Notes”	the 8% secured convertible notes due 2017 issued by Wanjia Group in the principal amount of HK\$58,500,000, which are owned by the Company prior to the Company and the Purchaser entered into the Sale and Purchase Agreement
“Directors”	the directors of the Company
“Disposal”	the disposal of the Convertible Notes by the Company to the Purchaser pursuant to the Sale and Purchase Agreement
“Get Nice”	Get Nice Holdings Limited (結好控股有限公司), a company incorporated with limited liability in Cayman Islands, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 64). It also act as a sub-underwriter to the proposed rights issue of the Company announced of 29 September 2017
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	as defined under the Listing Rules
“Purchaser”	Prime Pacific Investments Limited, a company incorporated in the British Virgin Islands

“PRC”	the People’s Republic of China which, for the purpose of this announcement excludes Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 October 2017 entered into between the Company and the Purchaser in relation to the Disposal
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wanjia Group”	Wanjia Group Holdings Limited ( 萬嘉集團控股有限公司 ), a company incorporated in Cayman Islands with limited liability, the issued share of which are listed on the Main Board of the Stock Exchange (stock code: 401)
“%”	per cent.

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

Hong Kong, 30 October 2017

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