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## **World Wide Touch Technology (Holdings) Limited**

**世達科技(控股)有限公司**

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

**(Stock Code: 1282)**

### **(1) PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**

### **(2) APPLICATION FOR WHITEWASH WAIVER**

### **(3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

**AND**

### **(4) RESUMPTION OF TRADING**

#### **PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**

On 9 May 2015, the Investors, the Company, Mr. Wong and Ms. Ching entered into the Subscription Agreement pursuant to which the Investors have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue, on the Completion Date, 18,611,994,100 Subscription Shares at an aggregate consideration of HK\$3,350,158,138 at the Subscription Price of HK\$0.18 per Subscription Share.

The Subscription Shares represent:

- (a) approximately 6.36 times of the total issued share capital as at the date of this announcement; and
- (b) approximately 86.41% of the total issued share capital as enlarged by the allotment and issue of the Subscription Shares (assuming there is no change of the issued share capital from the date of this announcement to the Completion Date save for the issue of the Subscription Shares).

Completion of the Share Subscription is conditional upon, among others, the terms and conditions as set forth in the Subscription Agreement.

## **APPLICATION FOR WHITEWASH WAIVER**

Upon completion of the Share Subscription, the Concert Group will hold 15,612,606,600 Shares in aggregate, representing approximately 72.49% of the total issued Shares as enlarged by the allotment and issue of the Subscription Shares assuming the share options granted by the Company have not yet been exercised. The Concert Group will incur an obligation pursuant to Rule 26 of the Takeovers Code to make a mandatory general offer to the Shareholders to acquire all the Shares other than those held or agreed to be acquired by the Concert Group.

The Investors will make an application to the Executive for the granting of the Whitewash Waiver, which if granted, will be subject to, among other things, approval by the Independent Shareholders in respect of the Share Subscription and the Whitewash Waiver at the EGM by way of poll.

## **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the authorised share capital of the Company is HK\$350,000,000 divided into 3,500,000,000 Shares of HK\$0.10 each, of which (i) 2,927,084,000 Shares have been allotted and issued as fully paid or credited as fully paid; and (ii) 11,520,000 Shares may be allotted and issued upon the exercise of the 11,520,000 outstanding share options of the Company.

Under the Share Subscription, the Company will be required to issue an aggregate of 18,611,994,100 Shares. In order to undertake the Share Subscription, the Board proposes to increase the authorised share capital of the Company from HK\$350,000,000 divided into 3,500,000,000 Shares to HK\$50,000,000,000 divided into 500,000,000,000 Shares.

## **EGM**

The EGM will be held to consider, and if thought fit, pass the resolutions to approve, among other things, (i) the Subscription Agreement and the transactions contemplated thereunder; (ii) the granting of the Specific Mandate for the allotment and issue of the Subscription Shares; (iii) the application for Whitewash Waiver; and (iv) the Increase in Authorised Share Capital.

## **GENERAL**

The Independent Board Committee has been established to advise the Independent Shareholders in relation to the Share Subscription and the Whitewash Waiver. An independent financial adviser will be appointed subject to the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver and an announcement will be made by the Company upon its appointment.

A circular containing, among other things, (i) further information on the Share Subscription, the application for Whitewash Waiver, and the Increase in Authorised Share Capital; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder and the application for Whitewash Waiver; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver; and (iv) a notice convening the EGM and a form of proxy are expected to be despatched to the Shareholders on or before 25 June 2015.

**If any of the conditions precedent to the completion of the Share Subscription is not satisfied and/or waived (if applicable) on or before the Long Stop Date, the Share Subscription will lapse and will not proceed.**

**As completion of the Share Subscription is subject to the fulfillment and/or waiver (if applicable) of the conditions precedent in the Subscription Agreement, and the Share Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares or other securities of the Company.**

#### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 8 May 2015 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 5 June 2015.

Reference is made to the announcement of the Company dated 16 April 2015 in relation to the Memorandum of Understanding. The Company and the Investors executed the Subscription Agreement on 9 May 2015 to finalise the terms and conditions of the proposed subscription under the Memorandum of Understanding.

## PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

### Date:

9 May 2015

### Parties:

- (a) The Company;
- (b) The Investors;
- (c) Mr. Wong; and
- (d) Ms. Ching.

### Subject matters:

Pursuant to the Subscription Agreement, the Investors have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue, on the Completion Date, 18,611,994,100 Subscription Shares at an aggregate consideration of HK\$3,350,158,138 at the Subscription Price of HK\$0.18 per Subscription Share. The following table sets forth the details of the Share Subscription:

<b>Investors</b>	<b>Number of Subscription Shares</b>	<b>Subscription Price (HK\$)</b>
(1) the First Investor	10,771,835,600	1,938,930,408
(2) the Second Investor	4,219,560,000	759,520,000
(3) the Third Investor	833,333,300	149,999,994
(4) the Fourth Investor	621,211,000	111,817,980
(5) the Fifth Investor	579,796,000	104,363,280
(6) the Sixth Investor	538,484,000	96,927,120
(7) the Seventh Investor	528,028,500	95,045,130
(8) the Eighth Investor	<u>519,745,700</u>	<u>93,554,226</u>
<b>Total:</b>	<b><u>18,611,994,100</u></b>	<b><u>3,350,158,138</u></b>

The Subscription Shares represent:

- (a) approximately 6.36 times of the total issued share capital as at the date of this announcement; and
- (b) approximately 86.41% of the total issued share capital as enlarged by the allotment and issue of the Subscription Shares (assuming there is no change of the issued share capital from the date of this announcement to the Completion Date save for the issue of the Subscription Shares).

The Subscription Shares have a nominal value of HK\$1,861,199,410 and a market value of HK\$18,984,233,982 based on the closing price of the Shares of HK\$1.02 on 7 May 2015, being the Last Trading Date. The net price per Subscription Share is approximately HK\$0.18 after deduction of relevant expenses of the Share Subscription.

Mr. Wong and Ms. Ching entered into the Subscription Agreement as Warrantors to provide certain representations, warranties and undertakings to the Investors.

### **Ranking of the Subscription Shares**

The Subscription Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Subscription Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by the Company on or after the date of allotment and issue of the Subscription Shares.

### **The Subscription Price**

The Subscription Price of HK\$0.18 per Subscription Share represents:

- (a) a discount of approximately 82.35% to the closing price of HK\$1.02 per Share on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 82.18% to the average closing price of approximately HK\$1.01 per Share for the last 5 trading days up to and including the Last Trading Day;
- (c) a discount of approximately 66.04% to the average closing price of approximately HK\$0.53 per Share for the last 30 trading days up to and including the Last Trading Day;
- (d) a discount of approximately 51.35% to the average closing price of approximately HK\$0.37 per Share for the last 60 trading days up to and including the Last Trading Day; and
- (e) a discount of approximately 37.93% to the average closing price of approximately HK\$0.29 per Share for the last 180 trading days up to and including the Last Trading Day.

The net aggregate proceeds from the Share Subscription, after deduction of the relevant expenses (including but not limited to the legal expenses and disbursements), are estimated to be approximately HK\$3,346.2 million.

The Subscription Price was determined on or about the date of signing the Memorandum of Understanding after arm's length negotiations between the Company and the First Investor after taking into account the following factors:

- i. the average closing price of HK\$0.27 per Share on the Stock Exchange for the last 10 trading days up to and including the date of signing the Memorandum of Understanding;
- ii. the net asset value attributable to the owners of the Company of approximately HK\$0.17 per Share ("**NAV**") as at 31 December 2014; and

- iii. the financial position of the Group where the Group has recorded a net loss attributable to shareholders of approximately HK\$583.2 million for the year ended 31 December 2014.

Given the Subscription Price represents a slight premium to the NAV and the Directors believe that the introduction of the Investors as Shareholders will improve the financial position of the Group by providing sufficient funding for the Company to expand in its existing business and invest in new business opportunities, the Directors (excluding the members of the Independent Board Committee who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the Share Subscription and the Whitewash Waiver) consider that the Subscription Agreement has been entered into upon normal commercial terms and the terms of the Subscription Agreement (including, without limitation, the Subscription Price) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

It is noted that the shareholding interest of the existing Shareholders is subject to dilution as a result of the Share Subscription. As illustrated in the section headed "Changes in the Shareholding Structure of the Company" in this announcement, the shareholding of the existing public shareholders would be reduced from 30.11% to 4.09% after completion of the Share Subscription, and the aggregate shareholding of Mr. Wong and Ms. Ching would be reduced from 69.59% to 9.46% after completion of the Share Subscription, in each case assuming the share options granted by the Company have not been exercised. However, taking into account of (i) the loss making position of the Group for the financial year ended 31 December 2014 and the net cash outflows for each of the financial years ended 31 December 2013 and 2014; (ii) the Share Subscription would enable the Company to raise a significant amount of capital at a relatively low transaction cost (where no underwriting commission will need to be paid by the Company to any underwriter or placing agent for the fund raising activity); and (iii) the possible new businesses as disclosed in this announcement that the Company will be able to expand into and invest in with the net proceeds raised from the Share Subscription, the Company considers the possible dilution effect on the shareholding interests of the existing Shareholders to be justifiable.

### **Conditions for the Share Subscription**

Completion of the Share Subscription is conditional upon the satisfaction (if applicable, waiver) of the following conditions:

- (a) Shareholders approving at the EGM the Increase in Authorised Share Capital;
- (b) Independent Shareholders approving at the EGM (i) the issuance of the Subscription Shares pursuant to the Subscription Agreement and the transactions contemplated thereunder; and (ii) the application for the Whitewash Waiver;
- (c) the Executive granting the Whitewash Waiver to the Concert Group, and the Whitewash Waiver remaining valid, and for any conditions imposed thereon (if applicable) being satisfied in full;

- (d) the Listing Committee granting approval for the listing of, and permission to deal in, the Subscription Shares, and such approval remaining valid as at the Completion Date;
- (e) all warranties given by the Company and the Warrantors under the Subscription Agreement being true, accurate and not misleading as at the date of the Subscription Agreement and the Completion Date;
- (f) all warranties given by the Investors under the Subscription Agreement being true, accurate and not misleading as at the date of the Subscription Agreement and the Completion Date;
- (g) the parties to the Subscription Agreement having complied with and fulfilled the pre-completion undertakings and obligations as set out in the Subscription Agreement in all material aspects;
- (h) since the date of the Subscription Agreement, there having been no events or circumstances which have a material adverse effect on the business and financial conditions of the Group;
- (i) all relevant government authorities or regulatory authorities having granted to the Company or the Investors all necessary consents, approvals, waivers, reports and filings (if applicable) in respect of the entry into and performance of the Subscription Agreement, and for any conditions imposed thereon (if applicable) being satisfied as determined by the Company and the Investors at their absolute discretion;
- (j) China Insurance Regulatory Commission having granted to the Investors all necessary consents, approvals, waivers, reports and filings (if applicable) in respect of the entry into and performance of the Subscription Agreement, and for any conditions imposed thereon (if applicable) being satisfied as determined by the Company and the Investors at their absolute discretion;
- (k) the Shares continuing to be listed and traded on the Stock Exchange and no requests having been received from the SFC and/or the Stock Exchange that the listing status of the Shares on the Stock Exchange will be revoked or cancelled as a result of the completion of the Subscription Agreement or any terms thereunder or other matters; and
- (l) the Group and each of the parties to the Subscription Agreement having obtained all necessary consents, approvals, authorisations and waivers in respect of the entry into and performance of the Subscription Agreement in order to achieve the purposes of the Subscription Agreement, and for any conditions imposed thereon (if applicable) being satisfied as determined by the Company and the Investors at their absolute discretion.

On or before the Long Stop Date, (i) the Investors may at their discretion inform the Company to waive the satisfaction with the conditions precedent stated in paragraphs (c), (e), (g), (h) and (l) above, and in the case of the conditions precedent stated in paragraphs (g) and (l), the Investors are entitled to waive such conditions precedent to the extent of the pre-completion undertakings and obligations are given by or applicable to the Company; and (ii) the Company

may at its discretion inform the Investors to waive the satisfaction with the conditions precedent stated in paragraphs (f), (g) and (l) above, and in the case of the conditions precedent stated in paragraph (g) and (l), the Company is entitled to waive such conditions precedent to the extent of the pre-completion undertakings and obligations are given by or applicable to the Investors. If the condition precedent stated in paragraph (c) is waived by the Investors, the Concert Group will be obliged to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by the Concert Group under Rule 26 of the Takeovers Code as a result of the Share Subscription.

In the event that the above conditions precedent of the Subscription Agreement are not fulfilled or waived on or before the Long Stop Date, the Share Subscription shall lapse and shall be of no further effect and the parties thereto shall be released from all obligations under the Subscription Agreement on Share Subscription, save for any liability arising out of any antecedent breaches of the Subscription Agreement.

### **Completion of Share Subscription**

If all the conditions precedent have been fulfilled and/or waived (if applicable) on or before the Long Stop Date, completion of Share Subscription under the Subscription Agreement shall take place on the Completion Date. On such date, the Company will issue the Subscription Shares to the Investors upon the payment of the total Subscription Price under the Subscription Agreement.

The Share Subscription by each of the Investors is inter-conditional.

### **Appointment and Resignation of the Directors**

Pursuant to the terms of the Subscription Agreement, upon completion of the Subscription Agreement or at such earlier possible time as permitted by the Takeovers Code and the Listing Rule, (i) four directors nominated by the First Investor will be appointed as Directors; and (ii) Mr. Wong, Ms. Ching and Mr. Tan Hui Kiat will resign as Directors. A further announcement in respect of the appointment and the resignation of the Directors will be made by the Company should the Share Subscription proceed to completion.

Save for Yao Jianhui (姚建輝) (“**Mr. Yao**”), the sole director and the sole shareholder of the First Investor who will be one of the individuals to be nominated by the First Investor as a director of the Company, the other three individuals to be nominated as directors of the Company have yet to be finalised. Having said that, the Company has been informed by the First Investor that it is not likely that the other three individuals to be nominated as directors of the Company will have any relationship with any of the Investors or their respective associates.

Mr. Yao, aged 43, graduated from South China University of Technology with a postgraduate (part-time) degree.

Mr. Yao has held senior management positions with a number of enterprises and a listed company across a wide range of industries, including food, construction materials, real estate, commerce, agriculture and forestry, logistics, technology and finance. From April 1995 to February 2002, he served as the general manager of 深圳市鉅華投資發展有限公司 (Shenzhen Juhua Investment and Development Co., Ltd\*), a company principally engaged in the production of agricultural products, construction materials and real estate business. From March 2002 to March 2003, Mr. Yao acted as the executive vice president of 深圳市寶能投資集團有限公司 (Shenzhen Baoneng Investment Group Co., Ltd\*), a conglomerate principally engaged in real estate, logistics, cultural tourism and financial business. From March 2003 to July 2010, he was the executive deputy general manager, general manager and chairman of the board of directors of 深圳深業物流集團股份有限公司 (Shenzhen Shenye Logistics Co. Ltd\*), a company principally engaged in the provision of logistics services, product exhibition and trading and micro-lending. From July 2010 to October 2014, Mr. Yao acted as the general manager and chairman of the board of directors of Baocheng Investment Co., Ltd. (寶誠投資股份有限公司) (stock code: 600892), a company listed on Shanghai Stock Exchange and is principally engaged in the manufacturing of cables, hotel and trading business. From June 2006, he has been the chairman of the board of directors of Baoneng Holding (China) Co., Ltd. (寶能控股(中國)有限公司), a company principally engaged in property development. Mr. Yao has experience in technological and manufacturing industry, including managing a cable manufacturer which provides products to high-speed trains.

Mr. Yao is a member of the Fifth Chinese People's Political Consultative Conference of Shenzhen, representative of the Sixth People's Congress of Shenzhen, vice president of Shenzhen Entrepreneur Association, vice president of Shenzhen Logistics and Supply Chain Management Association and vice president of Shenzhen Luohu Charity Federation.

Mr. Yao does not have any business or interest which competes or may compete with the business of the Group or the new businesses that the Group targets to invest in.

When nominating an individual to be a director of the Company, the First Investor will take into account the qualification and experience of the individual and the existing business and future development of the Company. It is intended that the individuals to be nominated by the First Investor as directors of the Company will have experience in manufacturing, technological and financial industries. As at the date of this announcement, the Investors plan to retain key members of the senior management (other than the executive directors) of the Company. In particular, in order to ensure smooth continuation of the existing business of the Group, Mr. Wong and Ms. Ching will be retained and redesignated as the Chief Technology Officer and Operation Director, respectively, and Mr. Tan Hui Kiat will be retained to hold the position as the Group's Corporate Affairs Officer after completion of the Share Subscription. Mr. Wong will be responsible for the technological development of the Group, with a primary focus on the biometric payment business and infrastructure (the "**Biometric Payment Business**"). Ms. Ching will be responsible for the Group's operations and management for the Biometric Payment Business. Mr. Tan Hui Kiat will continue to be responsible for the Group's corporate communications and interface with customers. Mr. Wong, Ms. Ching and Mr. Tan Hui Kiat will not take up the role as chief executive of the Company.

## **Warranties and representations by Mr. Wong and Ms. Ching**

Pursuant to the Subscription Agreement, Mr. Wong and Ms. Ching have provided representations and warranties regarding themselves and the Company. They have also undertaken to the Investors that, within three years commencing from the Completion Date, they would not, or would not procure his/her associates, (i) to directly or indirectly carry on any business which is in competition or may be in competition with the business carried on by the Group in the PRC (including Hong Kong and Macau) (the “**Restricted Business**”), whether for profit, reward or otherwise purpose, (ii) to hold any equity interests in any company engaging in the Restricted Business; or (iii) to directly or indirectly participate in the Restricted Business, save for certain exceptions permitted under the Subscription Agreement whereby Mr. Wong or Ms. Ching or his/her associate who hold shares in a company which is listed in a recognized stock exchange (including the Stock Exchange) provided that Mr. Wong’s or Ms. Ching’s or his/her associate’s aggregate shareholding does not exceed 5% of the total issued share capital of that company in a particular class of shares and Mr. Wong or Ms. Ching or his/her associate does not have right to appoint more than 50% of the composition of the board of directors for that company.

## **APPLICATION FOR WHITEWASH WAIVER**

Upon completion of the Share Subscription, the Concert Group will hold 15,612,606,600 Shares, representing approximately 72.49% of the total issued shares of the Company as enlarged by the allotment and issue of the Subscription Shares assuming the share options granted by the Company have not been exercised. The Concert Group will incur an obligation pursuant to Rule 26 of the Takeovers Code to make a mandatory general offer to the Shareholders to acquire all the Shares other than those owned or agreed to be acquired by the Concert Group.

The Company understands from the Concert Group that, other than the Subscription Agreement, there are no (a) arrangements (whether by way of option, indemnity or otherwise) in relation to the shares of the Concert Group or the Shares which might be material to the Subscription Agreement and/or the Whitewash Waiver; (b) agreements or arrangements to which any member of the Concert Group is a party which relate to the circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Subscription Agreement and/or the Whitewash Waiver.

The Concert Group will make an application to the Executive for the granting of the Whitewash Waiver, which if granted, will be subject to, among other things, approval by the Independent Shareholders in respect of the Share Subscription and the Whitewash Waiver at the EGM.

As at the date of this announcement, none of the members of the Concert Group has received an irrevocable commitment from any Shareholder to vote for or against the resolutions concerning the Share Subscription and/or the Whitewash Waiver to be proposed at the EGM.

**If the Whitewash Waiver is approved by the Independent Shareholders and the Share Subscription proceeds to completion, the shareholding of the Concert Group will exceed 50% upon the allotment and issue of the Subscription Shares.**

The view and recommendation of the independent financial adviser in respect of the Share Subscription and the terms thereof and the application for Whitewash Waiver will be set out in a circular to be issued by the Company to Shareholders as required by the Takeovers Code and the Listing Rules.

## **INFORMATION OF THE INVESTORS**

### **The First Investor**

The First Investor is a company incorporated in the British Virgin Islands and an investment holding company. The First Investor is wholly and beneficially owned by Mr. Yao who is also the sole director of the First Investor. The sole director and the beneficial owner of the First Investor are considered to be parties acting in concert with the First Investor in respect of the Share Subscription.

Mr. Yao is also the younger brother of Yao Zhenhua (姚振華), the legal representative of the Second Investor. As at the date of this announcement, Yao Zhenhua (姚振華) indirectly holds 100% equity interests in Shenzhen Jushenhua which in turn holds 20% equity interests in the Second Investor.

### **The Second Investor**

The Second Investor is a joint stock company established in the PRC with limited liability and is principally engaged in life insurance business in the PRC. The Second Investor is owned as to 20% by Shenzhen Jushenhua, 20% by 深圳市深粵控股股份有限公司 (Shenzhen Shenyue Company Limited\*), 19.80% by 深圳粵商物流有限公司 (Shenzhen Yueshan Logistics Company Limited\*), 19.65% by 深圳市凱誠恒信倉庫有限公司 (Shenzhen Kaicheng Hangxin Warehousing Company Limited\*), 14.95% by 深圳市華南汽車交易中心有限公司 (Shenzhen South China Automobile Trading Center Company Limited\*) and 5.6% by 深圳市健馬科技開發有限公司 (Shenzhen Jianma Science and Technology Development Company Limited\*). Yao Zhenhua (姚振華) is the legal representative of the Second Investor.

Yao Zhenhua (姚振華), the legal representative of the Second Investor, is the elder brother of Mr. Yao, the sole shareholder of the First Investor.

### **The Third Investor**

The Third Investor is a merchant.

### **The Fourth Investor**

The Fourth Investor is a company incorporated in the British Virgin Islands and an investment holding company. The Fourth Investor is wholly and beneficially owned by Ye Weiqing (葉偉青) who is also the sole director of the Fourth Investor. The sole director and the beneficial owner of the Fourth Investor are considered to be parties acting in concert with the Fourth Investor in respect of the Share Subscription.

As at the date of this announcement, Ye Weiqing (葉偉青) is one of the directors of the Second Investor and the chairman of Shenzhen Jushenhua.

### **The Fifth Investor**

The Fifth Investor is a company incorporated in the British Virgin Islands and an investment holding company. The Fifth Investor is wholly and beneficially owned by Chen Muwai (陳木偉) who is also the sole director of the Fifth Investor. The sole director and the beneficial owner of the Fifth Investor are considered to be parties acting in concert with the Fifth Investor in respect of the Share Subscription.

### **The Sixth Investor**

The Sixth Investor is a company incorporated in the British Virgin Islands and an investment holding company. The Sixth Investor is wholly and beneficially owned by Siri Manavutiveth who is also the sole director of the Sixth Investor. The sole director and the beneficial owner of the Sixth Investor are considered to be parties acting in concert with the Sixth Investor in respect of the Share Subscription.

### **The Seventh Investor**

The Seventh Investor is a company incorporated in the British Virgin Islands and an investment holding company. The Seventh Investor is wholly and beneficially owned by Liu Chunbin (劉純斌) who is also the sole director of the Seventh Investor. The sole director and the beneficial owner of the Seventh Investor are considered to be parties acting in concert with the Seventh Investor in respect of the Share Subscription.

### **The Eighth Investor**

The Eighth Investor is a company incorporated in the British Virgin Islands and an investment holding company. The Eighth Investor is wholly and beneficially owned by Chen Zhijun (陳志軍) who is also the sole director of the Eighth Investor. The sole director and the beneficial owner of the Eighth Investor are considered to be parties acting in concert with the Eighth Investor in respect of the Share Subscription.

### **General**

The First Investor, the Second Investor and the Fourth Investor are parties acting in concert under the Takeovers Code with respect to the Share Subscription. None of the Third Investor, the Fifth Investor, the Sixth Investor, the Seventh Investor and the Eighth Investor is acting in concert (i) with each other under the Takeovers Code; nor (ii) under the Takeovers Code with any or all of the First Investor, Second Investor and/or Fourth Investor and/or their respective concert parties.

As at the date of this announcement, the Investors are Independent Third Parties, and the Investors and the Concert Group do not hold, control or direct any voting rights and rights over shares, convertible securities, warrants, options in the Company or outstanding derivatives in respect of the securities of the Company (other than those pursuant to the Subscription

Agreement). As at the date of this announcement, the Investors and the Concert Group have not borrowed or lent any Shares. None of the Investors nor the Concert Group had any dealings in the Shares during the 6-month period prior to the date of the announcement of the Memorandum of Understanding.

Save as disclosed above, each of the Investors is not related to each other.

## **REASONS FOR THE SHARE SUBSCRIPTION**

The Group is principally engaged in the manufacturing of a range of high-technology products; trading and providing services with respect to automation-related equipment; and strategic investment and development in technologies mainly relating to biometric security, high-speed wireless data transmission and communications. The Group has expanded its biometric service offerings and launched the world's first biometric fingerprint privacy protection platform and devices FingerQ in July 2013, to strengthen its position as the leading provider of patented biometric security solutions.

Since the beginning of the year 2014, the Group has commenced its transformation plan to wind down its low profit margin electronic manufacturing businesses such as plasma lightings and touch pads manufacturing and intended to extend the scope of its biometrics security technology and product offerings from hardware applications to comprehensive solutions (which provide a secured and reasonably-priced method to provide online privacy by applying the point-to-point payment authentication as well as token encryption and decryption functions) beyond mere lock and unlock functions currently available in the biometric market, targeting both consumer and enterprise markets.

The Group intends to continue its existing business along the following plans and strategies:

### **Continuation of existing business after the Share Subscription**

It is expected that there will not be any fundamental change in the principal business activities of the Company after the Share Subscription as the Company will continue its existing businesses. In particular, the Group continues to place effort in making its *FingerQ* platform more user-friendly by attracting more applications developers and strategic partners to integrate more features onto the *FingerQ*'s secure platform, and supporting top-tier mainstream operating systems including iOS, Android, and Windows PC.

### **Development of biometric security technology and mobile payment solutions**

The Company hopes to strengthen its position as the leading provider of patented biometric security solutions. The Group is exploring the employment of biometric security technology and solutions in mobile payment and healthcare services. Since 2014, the Group has been working with a few service providers for banking operations and online payment on the development of the next generation *FingerQ* as solutions in payment authentication through biometric fingerprint technologies in mobile devices such as mobile phones, electronic tokens and USB devices. As disclosed in the announcement of the Company dated 11 April 2014, the Group invested in Link Mobility Group ("**Link Mobility**"), being a Norwegian public company

listed on the Oslo Axess market of the Oslo Børs specialising in mobile technology and message payment confirmation in order to foster long-term strategic business cooperation with Link Mobility. The Group designs patented biometric tokens for Link Mobility and use their current network for promotion.

### **Expansion of its business development in the international market**

The Group has been determined to expand its business development in the international market. Since the end of 2012, the Group has been continuously participating in internationally recognised exhibitions and industry events for the establishment of a global presence, and explored to form business partnerships with industry players to expand its portfolio and market share. Same for the past years, during 2015 and up to now, the Group has participated in 2015 International Consumer Electronics Shows in January 2015 at Las Vegas and GSMA Mobile World Congress held in March 2015 at Barcelona to show its *FingerQ* products. The Group will also participate in the GSM Mobile Asia Expo which is expected to be held in July 2015 at Shanghai.

### **Current limitations of the Group and the opportunity ahead**

Given the Group recorded a substantial loss in the financial year ended 31 December 2014 and recorded negative net cash outflows for each of the financial year ended 31 December 2013 and 2014, it is the management's intention to diversify its income streams by exploring new business opportunities through strategic investments by new investors. Notwithstanding that the Company recorded cash and bank balances of HK\$239.8 million as at 31 December 2014, there was a net cash deficit position of HK\$15.8 million as at 31 December 2014. Further, out of the cash balance of HK\$239.8 million of the Company as at 31 December 2014, (a) an amount of HK\$73.1 million, which is the remaining net proceed raised by the placing and public offering, will be used following the intended uses of proceed as described in the relevant offering documents; (b) an amount of approximately HK\$144.2 million (RMB87.7 million of which is used for natural hedging against the RMB appreciation) has been deposited at the banks to back up banking facilities total at HK\$255.6 million; and (c) the remaining cash will be utilised by the Company for operational purpose.

Despite the existing well-established patented biometric security technology platform, the Group has not been able to establish a solid customer base and huge cost is expected to incur, including but not limited to promotional and advertisement cost, and substantial time period for a new technology be transformed into a product for it to be saleable at the market. The Group currently encounters limited financial resources to maintain and promote such technology. The management of the Company believes that sourcing a reputable or sizeable company which is interested in biometric security technology business as an investor to the Company would improve the financial position of the Company and help promote its biometric security technology and strengthen its position as the leading provider of patented biometric security solutions. In view of the reputation and the business network of the Investors in the PRC, the Board believes that the proceeds received from the Share Subscription will help the Company to further promote its *FingerQ* business into both consumer and enterprise markets in the PRC. In particular, with the experience and network of

the Second Investor in the financial services sector in the PRC, the Board believes that this may foster the implementation of its biometric security technology and applications into the financial services sector. Also, the Board considers that there is an imminent funding need and believes that the Share Subscription would improve the financial position of the Group to fund expansion of the existing business (*FingerQ* technology) and acquisitions as the opportunity arises and to strengthen the working capital of the Company.

### **Proposed acquisitions**

It is the Company's intention to tap into the energy-saving lighting industry through its acquisition of an enterprise which is principally engaged in research and development and manufacturing of energy-saving lighting products such as crystal semiconductors and carbon electrodes (the "**Optoelectronic Enterprise**"). The demand for energy in China increases along with the economic development, which has led to the increase in demand for energy-saving lighting products. Crystal semiconductors and carbon electrodes light is developing as a light source which is more energy efficient compared to ordinary LED light, incandescent lamp and high pressure sodium lamp. In this regard, the Company considers that the crystal semiconductors and carbon electrodes lighting products have great market potential which present a lucrative investment opportunity for the Company. None of the counterparties that propose to sell his/her equity interest in the Optoelectronic Enterprise is any one of the Investors or a shareholder of the Company.

Background information in relation to the Optoelectronic Enterprise is set out below:

- (a) the Optoelectronic Enterprise was established in January 2015 and registered in Shenzhen of the PRC with a paid-up registered capital of RMB100 million;
- (b) the scope of business of the Optoelectronic Enterprise includes research and development, sales and provision of technical advice in relation to electronic products, solar lights, lighting appliances, lighting products, electric lighting equipment, integrated circuits, batteries and battery materials;
- (c) the Optoelectronic Enterprise currently has three shareholders which are independent and not connected with the Investors;
- (d) the Optoelectronic Enterprise is currently in the process of setting up and installing production equipment in its 100,000 square metres production facility in Shenzhen, the PRC and production is expected to commence in the second half of the year 2015;
- (e) the Optoelectronic Enterprise has entered into sales contracts with key customers and has entrusted other manufacturers to manufacture products to fulfil such contracts before commencement of its own production;
- (f) the management and key technical personnel of the Optoelectronic Enterprise have extensive experience and hold management positions in the relevant industries.

Based on the information provided by the Investors, the First Investor will use commercially reasonable efforts to discuss with the shareholders of the Optoelectronic Enterprise for them to enter into a non-legally binding memorandum of understanding (the “**MOU**”) with any of the Company, its wholly-owned direct or indirect subsidiary or the First Investor, within a period of four weeks from the date of this announcement. It is contemplated that such MOU shall include principal terms of the proposed acquisition including equity interest to be purchased and an exclusivity period.

If the Optoelectronic Enterprise is to be acquired by the Company, it is anticipated that most if not all of the management of that business will be retained to ensure smooth transition and continuation of its business operation. It is intended that the acquisition will be carried out by both the acquisition of the equity interest of the Optoelectronic Enterprise from the existing shareholders and capital injection. The exact shareholding to be acquired from existing shareholders and the amount of capital to be injected is subject to further negotiation. The amount of the consideration of the acquisition and capital injection will be determined with reference to, among others, the book value of the Optoelectronic Enterprise and the valuation of certain intangible assets of the Optoelectronic Enterprise.

In addition, the Company also intends to capture the development opportunities in the booming financial industry in the PRC by way of acquisition or capital injection into a domestic financial enterprise. It is the Company’s preliminary plan to apply approximately HK\$1,003.9 million, representing approximately 30% of the net proceeds, to fund the investment into, including but not limited to, the insurance or asset management sectors. As at the date of this announcement, no acquisition target has been identified and the Directors are unable to ascertain if any of the counterparties is any one of the Investors or a Shareholder of the Company.

Apart from the Share Subscription, the Directors have considered other options of fund raising activities (including rights issue or open offer). As rights issue and open offer would require commitment from the controlling Shareholder to participate and selection and engagement of underwriters, the Directors believe that it would be difficult for the Company to identify any underwriter at a relatively low cost and within a short period of time. In respect of debt financing, the Directors considered that it would be difficult for any financial institutions to extend such a large amount of credit facility to the Company at affordable terms due to the increasing borrowing cost among financial institutions. In view of the interests from the Investors in investing in the Company in the long run and their substantial capital commitment to the Company, the Directors consider that the Share Subscription is the most viable and preferable fund-raising option for the Company.

The Directors considered that the Share Subscription can provide an opportunity to broaden the shareholder base of the Company, and to strengthen the capital base and financial position of the Group for its future business development and the Share Subscription also signifies the confidence of the Investors in the development and prospects of the business of the Group. The Directors (excluding the members of the Independent Board Committee who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the Share Subscription and the Whitewash Waiver)

were of the view that the terms of the Subscription Agreement were fair and reasonable, and it was in the interests of the Company and the Shareholders as a whole to enter into the Subscription Agreement after considering the following factors: (i) the terms and conditions of the Share Subscription as set out in the Subscription Agreement; (ii) the reputation and the business network of the Investors in Hong Kong and China which may assist the Group to further develop its business; and (iii) the positive impact of the investment to be made by the Investors in the Group.

Having taken into account all the aforementioned factors, the Directors (excluding the members of the Independent Board Committee who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the Share Subscription and the Whitewash Waiver) considered it is in the interest of the Company and the Shareholders as a whole to proceed with the Share Subscription.

As the Share Subscription is subject to Independent Shareholders' approval, the Independent Shareholders will make their own decision in voting on the relevant resolutions in respect of the Share Subscription after considering the advice from the Independent Board Committee which will be advised by an independent financial adviser.

#### **INTENDED USE OF PROCEEDS**

The gross aggregate proceeds and the net aggregate proceeds of the Share Subscription is approximately HK\$3,350.2 million and HK\$3,346.2 million, respectively. The Company intends to apply the net proceeds to be raised from the Share Subscription as follows:

- (a) approximately HK\$334.6 million, representing approximately 10% of the net proceeds, will be used to strengthen and expand the existing business of the Group;
- (b) approximately HK\$836.5 million, representing approximately 25% of the net proceeds, will be used to explore business opportunities in the energy-saving lighting industry in the PRC. The Company is currently planning to acquire majority shareholdings of and invest working capital into Optoelectronic Enterprise;
- (c) approximately HK\$836.5 million, representing approximately 25% of the net proceeds, will be subject to completion of the potential acquisition of the Optoelectronic Enterprise, be used to expand the product capacity of the Optoelectronic Enterprise, and finance the acquisition of fixed assets including, among other things, (i) land acquisition, (ii) construction of new plants or acquisition of existing plants, and (iii) purchase of machinery and equipment;
- (d) approximately HK\$1,003.9 million, representing approximately 30% of the net proceeds, will be used to acquire the equity interest of a domestic financial enterprise in order to diversify and extend the Group's business into the financial sector of the PRC and to capture the development opportunities in the booming financial industry in the PRC; and

- (e) approximately HK\$334.7 million, representing approximately 10% of the net proceeds will be used as the general working capital of the Company, of which approximately HK\$150–200 million will be used as operating expenses for its automation business (in particular, to support the business development of Gallent Tech Limited) and the remaining proceeds for daily operation of the non-automation businesses of the Group.

Based on the management accounts of the Company as at 31 December 2014, HK\$73.1 million out of HK\$642.1 million of the proceeds raised from the initial public offering of the Company, has not been utilised. The Company intends to apply such remaining proceeds in the following ways:

- i. Approximately HK\$39.1 million for the purpose of purchase and upgrade of production and testing equipment for, in particular, the *FingerQ* business; and
- ii. Approximately HK\$34 million for the purpose of research and development of other existing business of the Company.

Nonetheless, the Company would not be considered as a cash company under Rule 14.82 of the Listing Rules based on the following reasons:

**a) Investment in existing business of the Company**

Apart from utilising approximately 25% of the net proceeds of the Share Subscription in full for the acquisition and future expansion and development of the Optoelectronic Enterprise, the Group intends to engage in the following investments to strengthen and expand the existing business of the Group by utilising not more than approximately 10% of the net proceeds of the Share Subscription:

- i) Biometric Payment Business

It is the intention of the Company to continue to invest in the Biometric Payment Business in an amount of up to US\$6 million (equivalent to approximately HK\$46,800,000) within one year after completion of the relevant feasibility study which will generally last a few months, including but not limited to, the testing, qualification and development of the technology in relation to the relevant Biometric Payment Business (assuming completion of the Share Subscription takes place). The Company will only invest in the relevant Biometric Payment Business if the results of such feasibility study are to its satisfaction. As at the date of this announcement, the Company has already identified cooperation target of such Biometric Payment Business as evidenced by a memorandum of understanding dated 20 March 2015 entered into between FingerQ Macao Commercial Offshore Limited (“**FingerQ MCO**”) and Giesecke & Devrient (China) Information Technologies Co Limited (“**G&D China**”) as set out in the Company’s announcement dated 20 March 2015. None of the Investors has any relationship with G&D China. The Company will continue to explore other potential cooperation or investment targets in this area.

ii) Bio-Key International, Inc. (“**Bio-Key**”)

It is the intention of the Company to enter into a memorandum of understanding (the “**Bio-Key MOU**”) with Bio-Key, a U.S. public company listed on the NASDAQ, in the next one to two weeks until the term of the Bio-Key MOU are being finalized. None of the Investors has any relationship with Bio-Key. It is intended that the Group will, on top of its current holding of 1,066,500 shares of Bio-Key, further invest up to approximately US\$15 million (equivalent to approximately HK\$117,000,000) in Bio-Key (the “**Bio-Key Investment**”) three months after completion of the Share Subscription in view of the relatively low market prices of Bio-Key in the recent three months and the timing required for the Company to obtain the relevant board approval, and the exact investment amount will depend on the then market conditions, the share price and the result of the negotiation between the Company and Bio-Key. The Company believes such strategic investment into Bio-Key will allow the Company to actively participate in the business operations of Bio-Key, a company which develops and delivers advanced biometric finger identification solutions to commercial and government enterprises, system integrators and custom application developers, and further enhance its technology knowhow and capability in the biometric security arena.

Other than the proposed investments in the Biometric Payment Business and the Bio-Key Investment, in respect of the remaining 5.1% of the net proceeds for the purpose of strengthening and expanding the existing business of the Group, the Company considers that there will be sufficient funding resources in modifying and improving the *FingerQ* hardware and software to tailor the specifications as requested by the services providers which have entered into non-disclosure agreements with the Company. The Company will then play an active role in approaching such services providers for enhancing the *FingerQ* technology.

**b) Investment in new business including the proposed acquisition of the Optoelectronic Enterprise and the potential investment in financial industry**

Subject to the due diligence results satisfactory to the Company on the business carried out by the Optoelectronic Enterprise, it is expected that the Company will proceed with the proposed acquisition within three months after completion of the Share Subscription when the Company has received the relevant proceed for the proposed acquisition.

As the Company’s existing businesses face challenges under the rapidly changing business environment, the Directors consider that that the Company should seize new business opportunities according to the market development in order to maintain a sustainable growth and create greater value for the Shareholders. The Company is in the course of exploring new business opportunities and identifying suitable targets in the financial industry in the PRC as set out in this announcement.

If there is any significant development in negotiation of the acquisition of the new businesses, the Company will make an announcement as required by the relevant Listing Rules.

### **c) Ratio of cash and short-dated securities to total assets and net total assets**

It is expected that the ratio of cash and short dated securities to total assets of the Company will be reduced to approximately 60.14% and the ratio of cash and short dated securities to total net assets of the Company will be reduced to approximately 65.02%, assuming (i) 4.90% of the net proceeds of the Share Subscription are being utilised in full for the development of the Biometric Payment Business and the Bio-Key Investment as set out in paragraph 1(a)(ii) above, and (ii) 25% of the net proceeds of the Share Subscription are being used for the acquisition of the Optoelectronic Enterprise.

Notwithstanding the fact that the Company has not entered into any legally-binding definitive agreement for the proposed investment in its existing business and acquisition of new businesses, the Company has a concrete plan to utilise a substantial part of the proceeds of the Share Subscription as set out above. The Directors are of the view that it is not in the interest of the Company to enter into any legally-binding definitive agreement with any party before it has certainty of its ability to comply with the contractual obligations (including payment obligations) under such agreements given the Company's current net cash deficit position and the uncertainty of the completion of the Share Subscription, which is subject to fulfilment of certain conditions.

### **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the authorised share capital of the Company is HK\$350,000,000 divided into 3,500,000,000 Shares of HK\$0.10 each, of which (i) 2,927,084,000 Shares have been allotted and issued as fully paid or credited as fully paid; and (ii) 11,520,000 Shares may be allotted and issued upon the exercise of the 11,520,000 outstanding share options of the Company.

Under the Share Subscription, the Company will be required to issue an aggregate of 18,611,994,100 Shares. In order to undertake the Share Subscription, the Board proposes to increase the authorised share capital of the Company from HK\$350,000,000 divided into 3,500,000,000 Shares to HK\$500,000,000,000 divided into 500,000,000,000 Shares.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM. Shareholders who are interested in the Share Subscription will be required to abstain from voting on such resolution.

### **SPECIFIC MANDATE TO ISSUE THE SUBSCRIPTION SHARES**

The Company will seek a specific mandate from the Independent Shareholders at the EGM for the allotment and issue of the Subscription Shares.

### **APPLICATION FOR LISTING**

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

## FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The Company did not conduct any other equity fund raising exercises in the past twelve months before the date of this announcement.

## CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 2,927,084,000 Shares in issue. Save for 11,520,000 Shares which may be allotted and issued upon the exercise of the 11,520,000 outstanding share options of the Company, the Company does not have any other outstanding convertible securities, options, warrants or other derivatives in issue which are convertible or exchangeable into Shares.

The shareholding structure of the Company (a) as at the date of this announcement; and (b) after the completion of the Share Subscription are as follows:

Shareholders of the Company	As at the date of this announcement		Immediately after the completion of the Share Subscription (assuming the share options granted by the Company have not yet been exercised)		Immediately after the completion of the Share Subscription (assuming the share options granted by the Company have been exercised in full)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
The First Investor and its concert parties	—	—	10,771,835,600	50.01	10,771,835,600	49.99
The Second Investor and its concert parties	—	—	4,219,560,000	19.59	4,219,560,000	19.58
The Fourth Investor and its concert parties <sup>(Note 2)</sup>	—	—	621,211,000	2.89	621,211,000	2.88
<i>Subtotal of Concert Group</i>	—	—	15,612,606,600	72.49	15,612,606,600	72.45
The Third Investor and its concert parties <sup>(Note 2)</sup>	—	—	833,333,300	3.87	833,333,300	3.87
The Fifth Investor and its concert parties <sup>(Note 2)</sup>	—	—	579,796,000	2.69	579,796,000	2.69
The Sixth Investor and its concert parties <sup>(Note 2)</sup>	—	—	538,484,000	2.50	538,484,000	2.50
The Seventh Investor and its concert parties <sup>(Note 2)</sup>	—	—	528,028,500	2.45	528,028,500	2.45
The Eighth Investor and its concert parties <sup>(Note 2)</sup>	—	—	519,745,700	2.41	519,745,700	2.41
Mr. Wong and Ms. Ching <sup>(Note 1 and 2)</sup>	2,036,826,888	69.59	2,036,826,888	9.46	2,041,746,888	9.47
Mr. Tan Hui Kiat <sup>(Note 2)</sup>	8,836,017	0.30	8,836,017	0.04	9,636,017	0.04
Other public Shareholders <sup>(Note 3)</sup>	881,421,095	30.11	881,421,095	4.09	887,221,095	4.12
	<u>2,927,084,000</u>	<u>100.00</u>	<u>21,539,078,100</u>	<u>100.00</u>	<u>21,550,598,100</u>	<u>100.00</u>

Note:

- Mr. Wong and Ms. Ching hold as to 50% each in the issued share capital of Anglo Solution Limited, which in turn holds the entire issued share capital of Soar Plan Holdings Limited. Soar Plan Holdings Limited is the beneficial owner of 1,927,778,827 Shares. Mr. Wong and Ms. Ching also have personal interest in 80,348,000 and 28,700,061 Shares in issue, respectively. As Mr. Wong and Ms. Ching are spouse, both Mr. Wong and Ms. Ching are deemed to be interested in an aggregate of 2,036,826,888 Shares, representing approximately 69.59% of the total issued share capital of the Company as at the date of this announcement.
- Given each of Mr. Wong, Ms. Ching and Mr. Tan Hui Kat will resign as a Director upon completion of the Share Subscription, and each of them and each of the Third Investor, the Fourth Investor, the Fifth Investor, the Sixth Investor, the Seventh Investor and the Eighth Investor will hold less than 10% shareholding in the Company after the completion of the Share Subscription, and each of them is considered as a public shareholder.

3. Even though the Fourth investor is a member of the Concert Group, it is also a public shareholder. For illustration purposes above, the shareholding of the Fourth Investor has not been included in the calculation of the shareholdings of other public Shareholders.

## **EGM**

The EGM will be held to consider, and if thought fit, pass the resolutions to approve, among other things, (i) the Subscription Agreement and the transactions contemplated thereunder; (ii) the granting of the Specific Mandate for the allotment and issue of the Subscription Shares; (iii) the application for Whitewash Waiver; and (iv) the Increase in Authorised Share Capital.

As at the date of this announcement, the Investors, their ultimate beneficial owners and the Concert Group do not hold any Shares or other securities in the Company and accordingly will not vote on any of the resolutions to be proposed at the EGM. Only Shareholders who do not have a material interest or who are not involved in or interested in the Share Subscription, the application for Whitewash Waiver and/or the Increase in Authorised Share Capital will vote on the aforesaid resolutions.

## **GENERAL**

The Independent Board Committee has been established to advise the Independent Shareholders in relation to the Share Subscription and the Whitewash Waiver. An independent financial adviser will be appointed subject to the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver and an announcement will be made by the Company upon its appointment.

A circular containing, among other things, (i) further information on the Share Subscription, the application for Whitewash Waiver, and the Increase in Authorised Share Capital; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder and the application for Whitewash Waiver; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver; and (iv) a notice convening the EGM and a form of proxy are expected to be despatched to the Shareholders on or before 25 June 2015.

To the best of the knowledge of the Directors, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Share Subscription. Accordingly, no Shareholder (other than Mr. Wong and Ms. Ching and their respective associates) is required to abstain from voting for the resolution to approve the Share Subscription, the Whitewash Waiver and the transactions contemplated thereunder.

**If any of the conditions precedent to the completion of the Share Subscription is not satisfied and/or waived (if applicable) on or before the Long Stop Date, the Share Subscription will lapse and will not proceed.**

**As completion of the Share Subscription is subject to the fulfillment and/or waiver (if applicable) of the conditions precedent in the Subscription Agreement, and the Share Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares or any other securities of the Company.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 8 May 2015 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 5 June 2015.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Board”	the board of Directors
“Company”	World Wide Touch Technology (Holdings) Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange
“Completion Date”	the day on which the completion of Share Subscription takes place, which shall be the fifth business day after the date on which all conditions precedent to the Subscription Agreement are fulfilled and/or waived (if applicable) or such other date as the parties may agree in writing
“Concert Group”	the First Investor, the Second Investor and the Fourth Investor and the parties acting in concert with any of them
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to approve, among other things, (i) the Subscription Agreement and the transactions contemplated thereunder; (ii) the granting of the Specific Mandate for the allotment and issue of the Subscription Shares; (iii) the application for Whitewash Waiver; and (iv) the Increase in Authorised Share Capital
“Eighth Investor”	Dawnfield Investment Limited (旭田投資有限公司), a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Chen Zhijun (陳志軍). To the best knowledge and information of the Directors, the Eighth Investor and its sole shareholder are Independent Third Parties
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director

“Fifth Investor”	State Leap Limited (國騰有限公司), a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Chen Muwai (陳木偉). To the best knowledge and information of the Directors, the Fifth Investor and its sole shareholder are Independent Third Parties
“First Investor”	Tinmark Development Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Yao. To the best knowledge and information of the Directors, the First Investor and its sole shareholder are Independent Third Parties
“Fourth Investor”	New Ethics Limited (新德有限公司), a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Ye Weiqing (葉偉青). To the best knowledge and information of the Directors, the Fourth Investor and its sole shareholder are Independent Third Parties
“Group”	the Company and its subsidiaries
“HK\$” or “HK dollars”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$350,000,000 divided into 3,500,000,000 Shares to HK\$50,000,000,000 divided into 500,000,000,000 Shares
“Independent Board Committee”	an independent board committee, comprising all the independent non-executive Directors, formed to consider the terms of the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver
“Independent Shareholders”	Shareholders (other than Mr. Wong, Ms. Ching and their respective associates) and those who have a material interest or who are involved in or interested in the Share Subscription and/or the Whitewash Waiver
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons as defined under the Listing Rules
“Investors”	the First Investor, the Second Investor, the Third Investor, the Fourth Investor, the Fifth Investor, the Sixth Investor, the Seventh Investor and the Eighth Investor
“Last Trading Day”	7 May 2015, being the last trading day immediately prior to the date of the Subscription Agreement

“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2015 or such other date as may be agreed by the parties to the Subscription Agreement
“Memorandum of Understanding”	the memorandum of understanding dated 14 April 2015 entered into between the Company and the First Investor in connection with the proposed subscription for Shares and/or convertible securities of the Company
“Mr. Wong”	Mr. Wong Kwok Fong, an executive Director
“Ms. Ching”	Ms. Ching Pui Yi, an executive Director
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Second Investor”	Foresea Life Insurance Co., Ltd (前海人壽保險股份有限公司), a joint stock company established in the PRC with limited liability and is owned as to 20% by Shenzhen Jushenhua, 20% by 深圳市深粵控股股份有限公司 (Shenzhen Shenyue Company Limited*), 19.80% by 深圳粵商物流有限公司 (Shenzhen Yueshan Logistics Company Limited*), 19.65% by 深圳市凱誠恒信倉庫有限公司 (Shenzhen Kaicheng Hangxin Warehousing Company Limited*), 14.95% by 深圳市華南汽車交易中心有限公司 (Shenzhen South China Automobile Trading Center Company Limited*) and 5.6% by 深圳市健馬科技開發有限公司 (Shenzhen Jianma Science and Technology Development Company Limited*). To the best knowledge and information of the Directors, the Second Investor and its shareholders are Independent Third Parties
“SFC”	the Securities and Futures Commission of Hong Kong
“Seventh Investor”	Robust Sino Limited (強華有限公司), a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Liu Chunbin (劉純斌). To the best knowledge and information of the Directors, the Seventh Investor and its sole shareholder are Independent Third Parties
“Shares”	ordinary shares of HK\$0.10 each of the Company
“Shareholders”	holders of Shares
“Share Subscription”	the subscription for the Subscription Shares by the Investors pursuant to the terms of the Subscription Agreement

“Shenzhen Jushenhua”	深圳市鉅盛華股份有限公司(Shenzhen Jushenhua Company Limited*), a joint stock company established in the PRC with limited liability
“Sixth Investor”	Golden Chain International Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Siri Manavutiveth. To the best knowledge and information of the Directors, the Sixth Investor and its sole shareholder are Independent Third Parties
“Specific Mandate”	a specific mandate to be granted to the Directors in relation to the proposed allotment and issue of the Subscription Shares to be approved by the Independent Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement dated 9 May 2015 entered into among the Investors, the Company, Mr. Wong and Ms. Ching in connection with the Share Subscription
“Subscription Price”	HK\$0.18 per Subscription Share
“Subscription Shares”	18,611,994,100 Shares, being the number of Shares to be subscribed by the Investors pursuant to the Subscription Agreement at an aggregate consideration of HK\$3,350,158,138 at the Subscription Price of HK\$0.18 per Subscription Share
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC
“Third Investor”	Fang Jianfu (方建富), to the best knowledge and information of the Directors, an Independent Third Party
“Warrantors”	Mr. Wong and Ms. Ching
“Whitewash Waiver”	a waiver from the obligation of the Concert Group to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by the Concert Group under Rule 26 of the Takeovers Code as a result of the Share Subscription
“%”	percent

By order of the Board  
**World Wide Touch Technology (Holdings) Limited**  
**Wong Kwok Fong**  
*Chairman and Chief Executive Officer*

Hong Kong, 4 June 2015

*As at the date of this announcement, the executive directors of the Company are Mr. Wong Kwok Fong, Ms. Ching Pui Yi, and Mr. Tan Hui Kiat and the independent non-executive directors of the Company are Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew and Mr. Chan Wai.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information (other than information relating to the Investors) contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*The directors of the Investors (excluding the Third Investor) and the Third Investor jointly and severally accept full responsibility for the accuracy of the information relating to the Investors contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by the Investors in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

\* For identification purposes