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GLOBAL TECH (HOLDINGS) LIMITED

耀科國際(控股)有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 143)

**(I) VERY SUBSTANTIAL ACQUISITION; AND
(II) PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE AT THE SUBSCRIPTION PRICE
OF HK\$0.170 PER RIGHTS SHARE**

Financial adviser to Global Tech (Holdings) Limited

ALTUS CAPITAL LIMITED

Underwriter to the Rights Issue



THE ACQUISITION

The Board announces that on 26 January 2017 (after trading hours), the Purchaser (being a wholly-owned subsidiary of the Company) and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire the Sale Share in the Target Company, representing its entire issued share capital, and the benefit of the Target Company Shareholder Loan at the Consideration of HK\$318,000,000.

The Consideration of HK\$318,000,000 shall be settled by the Purchaser in cash in the following manner:

- (i) as to a sum of HK\$31,800,000, equivalent to 10% of the Consideration (the “**Deposit**”), was paid by the Purchaser in the following manner:
 - (I) as to a sum of HK\$10,000,000 which was paid to the Vendor’s solicitors as stakeholders pending release to the Vendor, or the Purchaser as the case may be, pursuant to the terms of the Sale and Purchase Agreement; and

* *For identification purpose only*

- (II) as to a sum of HK\$21,800,000 which was paid to the Purchaser's solicitors as stakeholders pending release to the Vendor, or the Purchaser as the case may be, pursuant to the terms of the Sale and Purchase Agreement; and
- (ii) the balance amount of HK\$286,200,000, equivalent to 90% of the Consideration (and subject to further adjustments with reference to the net asset value of the Target Company as set out in its financial statements), shall be paid by the Purchaser at Completion to the Vendor.

The Deposit was funded using the cash reserves of the Group, which predominantly arose from a Shareholder's loan amounting to HK\$50,000,000, granted to the Company by the Controlling Shareholder in 2016. The remaining balance of the Consideration is intended to be settled by the unsecured and interest-free New Shareholder's Loan amounting to HK\$286,200,000 to be granted to the Company by the Controlling Shareholder before the EGM. The aggregate amount of these two Shareholder's loans from the Controlling Shareholder will be repaid using the proceeds from the Rights Issue.

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

Upon Completion, the Company will be beneficially interested in 100% of the Target Company's equity, which will become an indirect wholly-owned subsidiary of the Company.

PROPOSED RIGHTS ISSUE

The Company proposes to raise approximately HK\$439,100,000 (before deducting professional fees and other relevant expenses) by way of the Rights Issue, whereby 2,582,986,966 Rights Shares shall be allotted and issued on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date.

The Subscription Price of HK\$0.170 per Rights Share, is payable in full upon application for the Rights Shares under the Rights Issue by Qualifying Shareholders.

Assuming no new Shares are issued and/or repurchased by the Company on or before the Record Date, a total number of Rights Shares of 2,582,986,966 will be allotted and issued representing:

- (i) approximately 50.0% of the Company's existing issued shares as at the date of this announcement; and
- (ii) approximately 33.3% of the Company's existing issued shares as enlarged by the issue of the Rights Shares.

The aggregate nominal value of the Rights Shares, of nominal value of HK\$0.01 each, will be approximately HK\$25,829,870.

The Rights Issue (other than the Undertaken Shares) is fully underwritten by the Underwriter and the terms of the Underwriting Agreement were agreed after arm's length negotiation between the Company and the Underwriter.

The Rights Issue shall take place after, and is conditional upon, Completion.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed(s) 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements. As no Shareholder has any material interest in the Acquisition and none of the Vendor or its associates holds any Share as at the date of this announcement, no Shareholder is required to abstain from voting at the EGM to approve the Acquisition.

As the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced or commenced within the 12-month period immediately preceding the date of this announcement), the Rights Issue is not subject to Shareholders' approval under Rule 7.19 (6) of the Listing Rules.

As the Company has made arrangements to dispose of securities not subscribed by allottees under the PALs or their renounees by means of EAFs, and such securities are available for subscription by all Shareholders and allocated on a fair basis, the Rights Issue is not subject to Shareholders' approval under Rule 7.21 of the Listing Rules.

As the Underwriter is wholly and beneficially owned by Mr. Chong Chin, who is the father-in-law of Mr. So Haw Herman (an executive Director), the Underwriter is a deemed connected person of the Company pursuant to the Listing Rules. The entering into of the Underwriting Agreement by the Company therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules but is fully exempt under Rule 14A.92 of the Listing Rules.

The payment of the underwriting commission by the Company to the Underwriter also constitutes a connected transaction of the Company. As the total amount of underwriting commission and fees payable by the Company is below the de minimis threshold for connected transactions under Chapter 14A of the Listing Rules, such payment of commission to the Underwriter pursuant to the Underwriting Agreement is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Rule 14A.76 (2) of the Listing Rules.

GENERAL

The EGM will be convened on or around 9 March 2017 to consider and, if thought fit, to pass the resolution to approve the Acquisition.

The Circular containing, among other things, further details of the Acquisition and a notice of the EGM, will be despatched by the Company to the Shareholders on or before 17 February 2017. The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Prospectus Posting Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus (without the PAL, the EAF, the ARE and the ARS) to the Non-Qualifying Shareholders for information only.

As completion of the Acquisition is conditional upon satisfaction (or, if applicable, waiver) of the respective conditions precedent as set out under the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue shall take place after the Completion and is conditional upon, among other things, the Completion and the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. Accordingly, the Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Friday, 17 March 2017. Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 3 April 2017 to Tuesday, 11 April 2017 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any person who is in any doubt about his/her position or any action to be taken is recommended to consult his/her own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

THE ACQUISITION

The Purchaser provided, and the Vendor accepted, the Expression of Interest on 16 December 2016. The Purchaser placed a refundable sum of HK\$8,000,000, with the Vendor on acceptance of the Expression of Interest and the Vendor granted the Purchaser a 14-day period of exclusivity to conduct its due diligence on the Target Company and the Property and for the parties to negotiate, conclude and enter into the Sale and Purchase Agreement.

The Board is pleased to announce that the Purchaser entered into the Sale and Purchase Agreement with the Vendor on 26 January 2017 (after trading hours), pursuant to which the Purchaser has conditionally agreed to acquire the Sale Share in the Target Company, representing its entire issued share capital, and the benefit of the Target Company Shareholder Loan at the Consideration of HK\$318,000,000. The principal terms of the Sale and Purchase Agreement are summarised as follows:

THE PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT

Date: 26 January 2017 (after trading hours)

Parties

Purchaser: Capital Ring Enterprises Limited, a wholly-owned subsidiary of the Company

Vendor: First Choice Properties Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Vendor and its ultimate beneficial owner are Independent Third Parties.

Purchaser's guarantor: The Company

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to purchase and the Vendor agreed to sell the Sale Share, representing the entire issued share capital of the Target Company, and the benefit of the Target Company Shareholder Loan. As at the date of this announcement, the total amount of the Target Company Shareholder Loan is approximately HK\$114,300,000. Repayment of the Target Company Shareholder Loan provided by the Vendor to the Target Company shall be settled as part of the Consideration and the Target Company Shareholder Loan shall be assigned by the Vendor to the Company.

The Company has agreed to guarantee the payment obligations of the Acquisition under the Sale and Purchase Agreement.

For further information on the Target Company, please refer to the section headed “Information of the Target Company” in this announcement.

Consideration and payment methods

The Consideration was arrived at after arm’s length negotiation between the Purchaser and the Vendor, after taking into account the location and potential use of and return which can be generated from the Property. In assessing the potential value of the Property, the Group has (i) reviewed the historical sales transactions of properties which (a) have been recently transacted; (b) have comparable area sizes and; (c) are located in the vicinity of the Property; and (ii) consulted an independent professional valuation services provider in Hong Kong, on the valuation and estimated market value of the Property. The market value of the Property was estimated to be within a range of approximately HK\$310 million to HK\$320 million on 30 November 2016, being the latest practicable date prior to the date of the provision of the Expression of Interest based on a preliminary valuation conducted by an independent professional valuation services provider in Hong Kong. The direct comparison method, which entails comparing the Property directly with other comparable properties which have been recently transacted with appropriate adjustments made, is being adopted by this valuation services provider to estimate the market value of the Property. A full valuation report of the Property provided by this independent professional valuation services provider shall be set out in the Circular to be despatched to Shareholders containing further details of the Acquisition.

The Consideration of HK\$318,000,000 shall be settled by the Purchaser in cash in the following manner:

- (i) as to a sum of HK\$31,800,000, the Deposit, was paid by the Purchaser in the following manner:
 - (I) as to a sum of HK\$10,000,000 which was paid to the Vendor’s solicitors as stakeholders pending release to the Vendor, or the Purchaser as the case may be, pursuant to the terms of the Sale and Purchase Agreement; and
 - (II) as to a sum of HK\$21,800,000 which was paid to the Purchaser’s solicitors as stakeholders pending release to the Vendor, or the Purchaser as the case may be, pursuant to the terms of the Sale and Purchase Agreement, the receipt of which is hereby acknowledged; and
- (ii) the balance amount of HK\$286,200,000, equivalent to 90% of the Consideration (and subject to further adjustments with reference to the net asset value of the Target Company as set out in its financial statements as further elaborated below), shall be paid by the Purchaser at Completion to the Vendor.

The Consideration shall be adjusted according to the value of all the assets of the Target Company (other than the value of the Property) and deducting therefrom an amount equal to the value of all liabilities of the Target Company (other than the Target Company Shareholder Loan and an existing mortgage loan which either is (i) to be repaid in full by the Target Company directly prior to Completion; or (ii) having received written notice from the Vendor, to be repaid in full by the Purchaser prior to Completion, with an equivalent amount deducted from the Consideration to be payable to the Vendor).

If such aggregate value is positive, the Consideration shall be adjusted upwards by the same amount, and if such aggregate value is negative, the Consideration shall be accordingly adjusted downwards on a dollar for dollar basis.

The adjustments to the Consideration shall initially be calculated using the pro forma accounts of the Target Company which shall be provided to the Group ten Business Days prior to Completion and are intended to measure the net asset value of the Target Company as at the date of Completion. The Consideration shall then be subsequently adjusted if required, according to the agreed-upon accounts of the Target Company, which will be delivered by the Vendor to the Purchaser within one month after the date of Completion.

Adjustments following Completion will only be necessary if there is any difference between the pro forma accounts of the Target Company and the agreed-upon accounts of the Target Company. Any adjustments made at this point shall be settled within 2 months of Completion. Such adjustments made to the Consideration will be changes arising from normal business operations of the Target Company and shall be minimal since (i) there are very scarce operations of the Target Company outside of its holding of the Property; and (ii) the Target Company's bank accounts shall be closed at or prior to Completion, after the repayment of the existing mortgage loan.

Based on the above, the Directors consider the Consideration to be fair and reasonable.

Conditions precedent

Completion is conditional upon the following conditions being fulfilled and satisfied, at or prior to the Long Stop Date:

- (a) the Controlling Shareholder having executed the Irrevocable Undertaking to the Company to vote in favour of the Acquisition at the EGM to be convened by no later than the CP Satisfaction Date (defined below) and the Purchaser providing a certified copy of such duly executed undertaking to the Vendor within two Business Days after the date of the Sale and Purchase Agreement; and
- (b) the approval of the Acquisition by the Shareholders in accordance with the requirements of the Listing Rules having been obtained or fulfilled on or before 9 March 2017 or such later date as shall be mutually agreed by the Vendor and the Purchaser in writing (the “**CP Satisfaction Date**”).

On 26 January 2017, in accordance with (a) above, the Controlling Shareholder has provided an Irrevocable Undertaking to the Company to vote in favour of the ordinary resolution approving the Acquisition at the EGM. Apart from (a) above, no other conditions precedent have been fulfilled as at the date of this announcement.

Termination

Upon the termination of the Sale and Purchase Agreement pursuant to the terms of the Sale and Purchase Agreement, all rights and obligations of the parties shall cease to have effect, except that, inter-alia:

- (i) If the conditions precedent set out in (a) or (b) are not satisfied by CP Satisfaction Date, the Sale and Purchase Agreement shall be terminated whereupon the total sum of HK\$10,000,000 held by the Vendor's solicitors as stakeholders shall be forfeited to the Vendor.
- (ii) If the conditions precedent set out in (a) and (b) are satisfied, but the Purchaser fails or refuses to complete the Acquisition on or before the Long Stop Date, the Deposit shall be forfeited to the Vendor as liquidated damages payable by the Purchaser, and the Purchaser shall also indemnify the Vendor on demand against all costs reasonably incurred by the Vendor in relation to the negotiation, preparation, execution and termination of the Sale and Purchase Agreement.
- (iii) If the conditions precedent set out in (a) and (b) have been satisfied but the Vendor refuses or fails to complete the Acquisition, the Deposit shall be returned in full (without interest) to the Purchaser and the Vendor shall indemnify the Purchaser on demand against all costs reasonably incurred by the Purchaser in relation to the negotiation, preparation, execution and termination of the Sale and Purchase Agreement.

Other terms

The Purchaser shall be entitled to nominate a nominee (which is directly or indirectly owned by the Company) to be the transferee of the Sale Share and the assignee of the Target Company Shareholder Loan pursuant to the Acquisition on Completion.

Completion

Subject to all of the conditions precedent being satisfied (or waived), Completion shall take place on or before the Long Stop Date.

As the terms of the Sale and Purchase Agreement were determined after arm's length negotiations, the Directors consider that the terms and conditions of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in trading of telecommunications products, provision of repair services and investments in financial assets.

Following the acquisition of the majority stake of the Company in December 2015 by Citic Guoan Group (中信國安集團有限公司), a PRC-based conglomerate with operations in, inter alia, telecommunication, energy, property development, property management and asset management, the Company wishes to have a permanent consolidated establishment in Hong Kong which will provide a firm basis for the continuous development of its business and operations.

It is expected that the Acquisition will allow the Group to consolidate its business activities and staff into one location enabling improved operational efficiency and minimizing administrative expenses. Following Completion, the Group shall conduct renovation on the Property to prepare it for the gradual relocation of the existing business operations conducted at various of the Group's offices (excluding its principal place of business located in Kwun Tung) to the Property soon upon expiry of their current leases (i.e. between March 2018 and May 2018). If it is permissible under the terms and is reasonable to do so; the Group may consider early termination of these leases, thereby expediting the move to the Property which in turn will reduce or save on rental expenses. Prior to the relocation of the Group's principal place of business to the Property, which is expected to occur in or before March 2019, it is intended that approximately 70% of the Property shall be used for the Group's own operations. The remaining 30% of the Property shall be leased out by entering into short term leasing agreements with Independent Third Parties. Accordingly, in the short term, the Group can expect rental income from the Property which will supplement its existing revenue. At the time of Acquisition, certain office units, representing less than 20% of the total area of the Property, shall be leased out by the Target Company to a master tenant, which sub-leases such units to its existing tenants. This arrangement was in place prior to the Acquisition. All of these tenancy agreements will expire at the latest by October 2017 and the Company shall receive the corresponding rental income until expiry, supplementing the Group's income.

Upon the relocation of the Group's principal place of business, the Directors confirm that the Company intends to fully occupy the Property for its own operations by 2019. It is expected that once the Group's offices have been successfully relocated to the Property, the Group can save total rental expenses of approximately HK\$3.1 million each year (based on the prevailing rental fees being paid by the Group under these leases).

The Directors consider that the Acquisition and the Rights Issue will serve to increase the asset base of the Group and assist the Group in its long term goal of continuous growth.

The Company does not currently have any intention to acquire or dispose of or discontinue any business/assets or have any plans for business expansion following the Acquisition. The Company does not plan to develop and expand into the property investment business upon Completion.

FUNDING OF THE ACQUISITION

The Deposit was funded using the cash reserves of the Group, which predominantly arose from a Shareholder's loan, amounting to HK\$50,000,000, granted to the Company by the Controlling Shareholder in 2016. The remaining balance of the Consideration is intended to be settled by the unsecured and interest-free New Shareholder's Loan amounting to HK\$286,200,000 to be granted by the Controlling Shareholder to the Company before the EGM. The aggregate amount of these two Shareholder's loans from the Controlling Shareholder will be repaid using the proceeds from the Rights Issue. For more details, please refer to the section headed "Proposed Rights Issue" of this announcement.

INFORMATION OF THE VENDOR AND THE TARGET COMPANY

Information of the Vendor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

There was/is no current or prior written or oral relationship, business, arrangements, transactions, agreements or understanding between each of the Vendor and its related parties and the Company and its connected persons, other than those relating to the Acquisition.

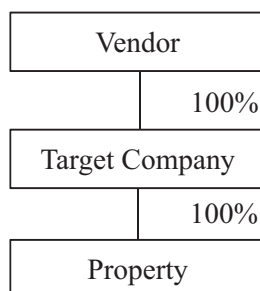
As at the date of this announcement, none of the Vendor or its associates holds any Shares.

Information of the Target Company

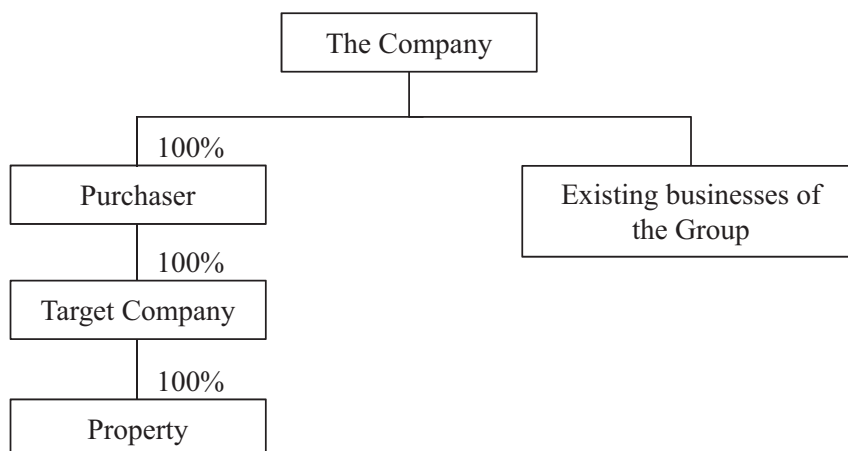
Set out below is the group structure, business and financial information of the Target Company based on the information provided by the Vendor.

Group structure of the Target Company

As at the date of this announcement, the Target Company is a company incorporated in Hong Kong and a wholly-owned subsidiary of the Vendor. Set out below is the shareholding structure of the Target Company before the Acquisition:



Set out below is the shareholding structure of the Target Company upon Completion:



Business of the Target Company

The Target Company is an investment holding company and the legal and beneficial owner of the Property, being the whole of the 15th Floor of Tower II, Admiralty Centre, No. 18 Harcourt Road, Hong Kong. As confirmed by the Vendor, there are no other properties or material assets owned by the Target Company.

Financial information of the Target Company

Set out below is selected financial information of the Target Company for the years ended 31 March 2015 and 2016:

	For the year ended 31 March	
	2015	2016
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation	32,756	54,561
Profit after taxation	32,611	54,346
Net assets	85,977	140,323

POTENTIAL EFFECTS ON THE GROUP UPON COMPLETION OF THE ACQUISITION

Upon Completion, the Company will be beneficially interested in the 100% equity interests in the Target Company, which will become an indirect wholly-owned subsidiary of the Company.

After Completion and prior to relocation of the Group's principal place of business to the Property, the Directors' intention is that approximately 70% of the Property shall be used for the Group's own operations before 2019. The remaining 30% of the Property shall be leased out by entering into short term leasing agreements with Independent Third Parties. During this period, the Group would account for the aforesaid two portions separately. The portion that is held for own use by the Group would be classified as property, plant and equipment in accordance to Hong Kong Accounting Standards ("HKAS") 16 "Property, Plant and Equipment" issued by the Hong Kong Institute of Certified Public Accountants and would be stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. The other portion that is held to earn rentals would be classified as investment properties in accordance to HKAS 40 "Investment Properties" and would be measured initially at its cost. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair values of investment properties would be included in profit or loss for the period in which they arise. After 2019, the Directors anticipate that 100% of the Property shall be held for own use.

There will be no change in the board composition of the Company as a result of the Acquisition and the Company has no intention to appoint any director or senior management of the Vendor or Target Company as Director.

IRREVOCABLE UNDERTAKING TO APPROVE THE ACQUISITION

On 26 January 2017, the Controlling Shareholder provided an Irrevocable Undertaking to the Company to vote in favour of the ordinary resolution approving the Acquisition at the EGM. Since the Controlling Shareholder holds approximately 53.2% of the issued share capital of the Company as at the date of this announcement, this ensures that the Acquisition shall be approved at the EGM.

To the best of the Directors' knowledge, there are no other agreements or arrangements between the Controlling Shareholder and other parties in relation to the Acquisition and the Rights Issue save for (i) the Irrevocable Undertakings provided by the Controlling Shareholder to the Company; and (ii) the New Shareholder's Loan granted by the Controlling Shareholder to the Company.

CHANGE OF THE PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Company intends that upon relocation of its existing offices to the Property, the principal place of business of the Group in Hong Kong shall be amended to reflect this. A separate announcement will be issued by the Company in this respect as and when this becomes effective.

PROPOSED RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date
Number of Shares in issue as at the date of this announcement	:	5,165,973,933 Shares
Number of Rights Shares	:	2,582,986,966 Rights Shares (assuming no new Share being issued and/or repurchased by the Company on or before the Record Date)
Number of Undertaken Shares	:	1,374,605,446 Rights Shares
Number of Underwritten Shares	:	1,208,381,520 Rights Shares
Subscription Price	:	HK\$0.170 per Rights Share
Funds raised (before deducting underwriting commission, professional fees and other relevant expenses)	:	HK\$439,107,784
Nominal value of the Rights Shares	:	HK\$0.01 each
Approximate aggregate nominal value of the Rights Shares	:	HK\$25,829,870

The Rights Issue (other than the Undertaken Shares) is fully underwritten by the Underwriter and the terms of the Underwriting Agreement were agreed after arm's length negotiation between the Company and the Underwriter.

The Rights Issue shall take place after, and is conditional upon, Completion.

Reasons for the Rights Issue and use of proceeds

The Company proposes to raise from the Rights Issue approximately HK\$439,100,000 (before deducting underwriting commission, professional fees and other relevant expenses), with net proceeds of approximately HK\$422,600,000, representing a net Subscription Price of approximately HK\$0.164 per Rights Share. They are intended to be deployed in the manner set out below:

Use of proceeds	Amount (HK\$) Million	%
Repayment of the New Shareholder's Loan granted by the Controlling Shareholder to facilitate the Acquisition of the Target Company (excluding the Deposit already paid)	286.2	67.7
Property related professional and agency fees for the Acquisition	8.0	1.9
Renovation costs for the Target Property	15.0	3.6
Repayment of a shareholder's loan granted by the Controlling Shareholder in 2016 (including the Deposit)	50.0	11.8
Repayment of bank borrowings, a former director's loan and other payables ^{Note 1}	26.0	6.1
Working capital of the Group	37.4	8.9
	<hr/>	<hr/>
Total net proceeds	<u>422.6</u>	<u>100.0</u>

Note 1 Further details of the bank borrowings, the loan from a former director and other payables are set out in notes 24 and 25 of the Company's annual report for the year ended 30 September 2016.

As at 30 September 2016, the cash and bank balances of the Group amounted to approximately HK\$52.9 million. For illustrative purposes, taking into account the impact of the payment of the Deposit, the Group's cash and bank balances would amount to approximately HK\$21.1 million. For illustrative purposes, if the amount of proceeds to be used for working capital is added to the Group's current cash and bank balances, the aggregate sum amounts to approximately HK\$58.5 million. The Directors have considered that (i) the Company recorded losses of approximately HK\$16.0 million, HK\$23.3 million and HK\$25.3 million for the years ended 30 September 2014, 2015 and 2016 respectively; (ii) due to the consecutive losses incurred in the past three financial years, the management of the Group is focusing their resources and efforts in turning round the Group's financial results and commence generation of profits; (iii) due to the Company's listing in both Hong Kong and Singapore, corporate exercises such as the Rights Issue, can be costly and distract the management's focus from the Group's core business, as such it is considered that amount raised should be sufficient to satisfy the Group's working capital needs in the medium term; and (iv) the current unlikelihood of the Group being able to obtain bank financing considering its loss-making track record. Taking into account the above, the Directors consider that it is favourable for the Group's ongoing operations and in the interests of the Company and the Shareholders as a whole to raise approximately HK\$37.4 million for the purposes of working capital.

With regards to the reasons for the Acquisition, please refer to the paragraph headed "Reasons for and benefits of the Acquisition" above. The Directors consider the Rights Issue a suitable method of raising funds for the Acquisition since it provides existing Shareholders with the opportunity to participate in the future development of the Company on equal terms as it gives each of them the opportunity to join in the fund raising proportionate to their existing percentage shareholding of the Company and maintain their current shareholding level.

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing or an open offer. The Directors noted that bank borrowings, if available, carry interest costs and creditors rank before shareholders, and placings dilute the interests of Shareholders without giving them the opportunity to take part in the exercise. As opposed to an open offer, the Rights Issue also enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group.

Having considered the alternatives mentioned above, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition, and thus, in the interests of the Company and the Shareholders as a whole.

Basis of the Rights Issue

One (1) Rights Share will be issued for every two (2) existing Shares held by a Qualifying Shareholder at the close of business on the Record Date. Acceptances of all or any part of a Qualifying Shareholder's provisional allotment should be made only by completing the PAL and ARE, and lodging the same with a remittance for the Rights Shares being accepted by the Latest Time for Acceptance.

As at the date of this announcement, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

The Rights Shares

Assuming no new Shares are issued and/or repurchased by the Company on or before the Record Date, the total number of Rights Shares of 2,582,986,966 will be allotted and issued representing:

- (i) approximately 50.0% of the Company's existing issued shares as at the date of this announcement; and
- (ii) approximately 33.3% of the Company's existing issued shares as enlarged by the issue of the Rights Shares.

The Subscription Price

The Subscription Price of HK\$0.170 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares or application for the excess Rights Shares.

The Subscription Price of HK\$0.170 per Rights Share represents:

- (i) a discount of approximately 30.9% to the closing price of HK\$0.246 per Share as quoted on the Stock Exchange on the date of the Underwriting Agreement and on the Last Trading Day;
- (ii) a discount of approximately 33.6% to the average of the closing prices of approximately HK\$0.256 per Share for the last five consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day; and
- (iii) a discount of approximately 23.1% to the theoretical ex-entitlement price of approximately HK\$0.221 per Share (assuming there is no new Shares issued by the Company) based on the closing price of HK\$0.246 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was a commercial decision and was determined after arm's length negotiations between the Company and the Underwriter with reference to the prevailing market price of the Shares prior to the Last Trading Day and the theoretical ex-entitlement price. In view of the current market price of Shares and financial performance of the Group and in order to enhance the attractiveness of the Rights Issue, the issuance of the new Shares by way of Rights Issue was made at a discount to the market price (as is commonly the practice of listed issuers in Hong Kong) and such discount was offered in order to encourage existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company in the future. The Company considers that even if the Shareholders do not wish to subscribe, they will benefit from the improved financial position of the Company from a net liability position as at 30 September 2016 to a net asset position, despite the shareholding dilution.

Having considered that (i) it is common for listed companies in Hong Kong to set the subscription price of Rights Issues at a discount to the market price; (ii) the level of discount of the Subscription Price to the market price falls within the range of comparable historical transactions of other listed issuers; and (iii) the Group recorded a loss for the two years ended 30 September 2016, the Directors consider that the Subscription Price is fair and reasonable and in the best interests of the Company and the Shareholders.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus (without the PAL, the EAF, the ARE and the ARS) to the Non-Qualifying Shareholders for information only.

To qualify for the Rights Issue, Shareholders must at the close of business on the Record Date be registered as members of the Company. Shareholders with an address in Hong Kong and Singapore on the register of members of the Company at the close of business on the Record Date are qualified for the Rights Issue. For Shareholders with an address outside Hong Kong and Singapore on the registers of members of the Company at the close of business on the Record Date, please refer to the paragraph below headed "Rights of the Overseas Shareholders".

CDP Depositors who are entitled to participate in the Rights Issue will be notified in writing of the procedures for acceptance and payment, together with the relevant application form(s) for the subscription for Rights Shares and excess Rights Shares.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 21 March 2017 to Monday, 27 March 2017, both days inclusive, to determine the eligibility of the Shareholders for the Rights Issue. No transfer of Shares will be registered during this book closure period. The Record Date for the Rights Issue is Tuesday, 21 March 2017. To qualify for the Rights Issue, a Shareholder must at the close of business on the Record Date be registered on the register of members of the Company, and must not be a Non-Qualifying Shareholder.

Rights of the Overseas Shareholders

If there are Overseas Shareholders at the close of business on the Record Date, the Directors will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Rights Shares to such Overseas Shareholders, the Rights Issue will not be available to such Overseas Shareholders.

The result of the enquiries and the basis of the exclusion, if any, will be included in the Prospectus.

If any Overseas Shareholders are excluded from the Rights Issue, the Company will send a copy of the Prospectus (without the PAL, the EAF, the ARE and the ARS) to such Overseas Shareholder for their information only.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

Excess application for the Rights Shares

Under the Rights Issue, Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders, any unsold Rights Shares created by adding together the fractions of the Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares. Application can be made by the Qualifying Shareholders only and by completing the EAF or the ARE where applicable for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for.

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis according to the principle that any excess Rights Shares will be allocated to the Qualifying Shareholders who apply for them on a pro rata basis with reference to the number of excess Rights Shares applied for, but no reference will be made to the number of Rights Shares applied for under the PAL or the ARE or the existing number of Shares held by such Qualifying Shareholders. No preference will be given to topping up odd lots to whole board lots.

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually save and except for the beneficial owner(s) which the Company shall permit in its absolute discretion. Investors with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) on or prior to the Record Date.

Shareholders whose Shares are held by their nominee(s) (or which are deposited in CCASS) and who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Company's Singapore share transfer agent or Hong Kong branch share registrar and transfer office for completion of the relevant registration by 4:30 p.m. on Monday, 20 March 2017.

Fractions of the Rights Shares

Fractional Rights Shares will be disregarded and not be issued to the Shareholders. Any fractional entitlements of the Rights Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Rights Shares will only arise in respect of the entire shareholding of a Shareholder regardless of the number of share certificates held by such Shareholder.

Share certificates and refund cheques

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 26 April 2017. If the Rights Issue is terminated, refund cheques will be despatched to the applicants who are Qualifying Shareholders and who are not CDP Depositors on or before Wednesday, 26 April 2017 or on or before Thursday, 27 April 2017 to the applicants who are Qualifying Shareholders and are CDP Depositors by ordinary post at the respective Shareholders' own risk.

Application for listing of the Rights Shares

The Company will apply to the Stock Exchange and the SGX-ST for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms on the Stock Exchange. As the Company is primarily listed on the Stock Exchange with a secondary listing on the SGX-ST, the Company is required under the SGX-ST's Listing Manual to inform the SGX-ST of the Rights Issue and the decision of the Stock Exchange. If the approval of the Stock Exchange has been obtained, it is expected that the SGX-ST will list the Rights Shares, in both their nil-paid and fully paid forms, at the same time they are listed on the Stock Exchange.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange will be in board lots of 2,000 Shares, while such dealings on the SGX-ST will be in board lots of 100 Shares. Dealings in the Rights Shares registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy and any other applicable fees and charges in Hong Kong.

No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange, save for the Stock Exchange and the SGX-ST.

Subject to the grant of the approval for the listing of, and permission to deal in, the nil paid rights and the Rights Shares on the Stock Exchange, the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the nil paid rights and the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Subject to compliance with the admission requirements of the SGX-ST, the Rights Shares, in both their nil-paid and fully-paid forms will be accepted as eligible securities by CDP for deposit, clearance and settlement in CDP with effect from the commencement date of dealings in the Rights Shares, in both their nil-paid and fully-paid forms, on the SGX-ST or such other date as determined by the SGX-ST. In accordance with the bye-laws of the SGX-ST relating to settlement of dealings on the SGX-ST, it is mandatory for dealings on the SGX-ST to be effected through the SGX-ST on a scrip-less basis. The settlement will take place on the third Market Day following the date of transaction ("**Due Date**") or in the event that the Due Date falls on a public holiday in Singapore, the settlement will take place on the next Market Day immediately after the Due Date. Hence, Shareholders who wish to effect any transfers of their Shares on the SGX-ST should process their requests at least 3 Market Days in advance. All dealings in and transactions (including transfers) of the Rights Shares, in both their nil-paid and fully-paid forms, executed on the SGX-ST will be cleared and settled under the electronic book entry clearance and settlement system of CDP, and effected in accordance with the "Terms and conditions for operation of securities account with The Central Depository (Pte) Limited" as the same may be amended from time to time. Copies of this are available from CDP.

THE IRREVOCABLE UNDERTAKING TO SUBSCRIBE FOR THE RIGHTS ISSUE

On 26 January 2017 (after trading hours), the Controlling Shareholder provided an Irrevocable Undertaking, pursuant to which the Controlling Shareholder irrevocably and unconditionally covenants with, and undertakes to, the Company, inter alia, that:

- (i) it will subscribe for and pay for in full or procure the taking up and payment for in full, on the terms and conditions of the Prospectus Documents, the 1,374,605,446 Rights Shares at the Subscription Price of HK\$0.170 per Rights Share (or any other subscription price as announced by the Company pursuant to the Rights Issue) which will constitute all the provisional allotment of Rights Shares in respect of the Shares beneficially owned by the Controlling Shareholder pursuant to the terms of the Rights Issue, prior to the Latest Time for Acceptance;
- (ii) the 2,749,210,892 Shares owned by the Controlling Shareholder as at the date of the Irrevocable Undertaking will remain beneficially owned by it from the date of this announcement up to the close of business on the Record Date; and
- (iii) it will not to sell or dispose or transfer or agree to sell or dispose or transfer of the 2,749,210,892 Shares beneficially owned by it at any time from the date of this announcement up to the close of business on the Record Date.

As at the date of this announcement, the Controlling Shareholder is beneficially interested in 2,749,210,892 Shares, representing approximately 53.2% of the existing issued share capital of the Company. In summary, the Controlling Shareholder is committed to accept 1,374,605,446 Rights Shares.

THE UNDERWRITING AGREEMENT

Date:	26 January 2017
Underwriter:	Yicko Securities Limited
Number of Underwritten Shares:	1,208,381,520 Rights Shares
Underwriting commission:	The Underwriter will receive a fixed underwriting commission of HK\$9,900,000, which translates into approximately 4.82% of the aggregate Subscription Price in respect of the maximum number of the Underwritten Shares

The commission rate of approximately 4.82% was determined after arm's length negotiation between the Company and the Underwriter by reference to (i) the existing financial position of the Company; (ii) the size of the Rights Issue; (iii) the low liquidity in trading of the Shares; (iv) the proposed timetable to carry out the Acquisition; (v) the additional risks and consideration involved in the economic and political sentiment of having two trading markets which the Shares are listed as well as the diverse Shareholders base of these two markets; and (vi) the current and expected securities market conditions. Taking into account the above uncertainties, such as the relatively small size of the Company in relation to the size of the Rights Issue, the tight timeframe, the secondary listing in Singapore and the necessity to work with an underwriter with whom the Company has a good working relationship with mutual trust, the Board (including the independent non-executive Directors) considers the terms of the Underwriting Agreement including the commission rate to be fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

The Rights Issue (other than the Undertaken Shares) is fully underwritten by the Underwriter. Upon completion of the Rights Issue in accordance with the terms of the Underwriting Agreement, the public float requirement under the Listing Rules will be complied with.

As the Underwriter is wholly and beneficially owned by Mr. Chong Chin, who is the father-in-law of Mr. So Haw Herman (an executive Director), the Underwriter is a deemed connected person of the Company pursuant to the Listing Rules. Mr. So Haw Herman is also a licensed representative, holding licences to carry out Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO, accredited to the Underwriter. As a result, Mr. So Haw Herman abstained from voting on the Board resolution to approve the entering into of the Underwriting Agreement, due to his material interests in the transaction.

Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon the following conditions being fulfilled:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the Prospectus Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;

- (iii) the listing committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares by (in their nil paid and fully paid forms) no later than the first day of their dealings;
- (iv) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms;
- (v) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;
- (vi) compliance with and performance of all undertakings and obligations of the Controlling Shareholder under the Irrevocable Undertaking by the Controlling Shareholder; and
- (vii) completion of the Acquisition.

Termination of the Underwriting Agreement

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company if at any time at or prior to the Latest Time for Termination:

- (1) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of any of the Underwriter, a material omission in the context of the Rights Issue; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circular in connection with the Rights Issue.

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to terminate the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement above comes to the knowledge of the Underwriter; or
- (2) any specified event (as defined under the Underwriting Agreement) comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of notice in accordance with the above, the Underwriting Agreement shall terminate and the obligations of the parties thereto shall forthwith cease and be null and void and none of the parties shall, save in respect of any right or liability accrued before such Termination and save for certain provisions relating to the indemnity, termination and the governing laws of the Underwriting Agreement, have any right against or liability towards the other party arising out of or in connection with the Underwriting Agreement.

If the Underwriter terminates the Underwriting Agreement in accordance with the terms thereof, the Rights Issue will not proceed.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue and the Acquisition set out below is indicative only and it has been prepared on the assumption that all the conditions as set out under the paragraph headed “Conditions of the Underwriting Agreement” in this announcement will be fulfilled.

The expected timetable for Shareholders who are Qualifying Shareholders and who are not CDP Depositors in respect of the Rights Issue and the Acquisition is set out below:

	2017 <i>(Hong Kong time)</i>
Circular posting date.	On or before Friday, 17 February
Date of the EGM	On or around Thursday, 9 March
Announcement of voting results of the EGM	Before 8:30 a.m. on Friday, 10 March
Completion date of the Acquisition	Tuesday, 14 March

Last day of dealings in Shares on cum-rights basis	Thursday, 16 March
First day of dealings in Shares on ex-rights basis.....	Friday, 17 March
Latest time for lodging transfers of shares in order to qualify for the Rights Issue	4:30 p.m. on Monday, 20 March
Register of members of the Company closes (both days inclusive).....	Tuesday, 21 March to Monday, 27 March
Record Date	Tuesday, 21 March
Register of members of the Company re-opens.....	Tuesday, 28 March
Prospectus Posting Date	Thursday, 30 March
First day of dealings in nil-paid Rights Shares	9:00 a.m. Monday, 3 April
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. Thursday, 6 April
Last day of dealings in nil-paid Rights Shares	4:00 p.m. Tuesday, 11 April
Latest Time for Acceptance as well as application for excess Rights Shares and payment for the Rights Shares	4:00 p.m. Tuesday, 18 April
Latest Time for Termination of the Underwriting Agreement by the Underwriter and the Rights Issue becomes unconditional	4:00 p.m. Wednesday, 19 April
Announcement of the results of the Rights Issue	Tuesday, 25 April
Despatch of refund cheques for the Rights Issue	Wednesday, 26 April

Despatch of certificates for fully-paid Rights SharesWednesday, 26 April

Commencement of dealings in fully-paid Rights Shares..... 9:00 a.m. Thursday,
27 April

The expected timetable for Shareholders who are Qualifying Shareholders and CDP Depositors in respect of the Rights Issue is set out below:

2017
(Singapore time)

Last day of dealings in Shares on cum-rights basis.....Thursday, 16 March

First day of dealings in Shares on ex-rights basisFriday, 17 March

Record Date Tuesday, 21 March

Prospectus Posting Date.....Thursday, 30 March

First day of dealings in nil-paid Rights Shares 9:00 a.m. Monday, 3 April

Latest day for splitting of nil-paid Rights Shares..... Tuesday, 11 April

Last day of dealings in nil-paid Rights Shares..... Tuesday, 11 April

Latest Time for Acceptance as well as application for
excess Rights Shares and payment for the Rights Shares 4:00 p.m. Tuesday, 18 April

Announcement of the results of the Rights Issue..... Tuesday, 25 April

Despatch of refund cheques for the Rights Issue.....Thursday, 27 April

Commencement of dealings in fully-paid Rights Shares 9:00 a.m. Thursday, 27 April

All times and dates in this announcement refer to Hong Kong/Singapore local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetables will be published or notified to the Shareholders as and when appropriate.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company immediately before and after the completion of the Rights Issue, assuming that no Shares will be issued or bought back by the Company after the date of this announcement and upon the close of the Rights Issue:

	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Rights Shares are taken up by the Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming none of the Rights Shares are taken up by the Qualifying Shareholders, save for those subscribed for by Road Shine, which has irrevocably undertaken to subscribe for its entitlement of Rights Shares)	
	<i>Number of Shares</i>	<i>% (approx.)</i>	<i>Number of Shares</i>	<i>% (approx.)</i>	<i>Number of Shares</i>	<i>% (approx.)</i>
Controlling Shareholder (<i>Note 1</i>)	2,749,210,892	53.2	4,123,816,338	53.2	4,123,816,338	53.2
Public Shareholders	2,416,763,041	46.8	3,625,144,561	46.8	2,416,763,041	31.2
The Underwriter	–	–	–	–	1,208,381,520	15.6
Total	<u>5,165,973,933</u>	<u>100.0</u>	<u>7,748,960,899</u>	<u>100.0</u>	<u>7,748,960,899</u>	<u>100.0</u>

Note:

- Road Shine is the Controlling Shareholder of the Company. The Controlling Shareholder has given an Irrevocable Undertaking in favour of the Company to take up all the Rights Shares which it is entitled to under the Rights Issue.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising exercises in the past twelve months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed(s) 100%, the Acquisition constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements. As no shareholder has any material interest in the Acquisition and none of the Vendor or its associates holds any Share as at the date of this announcement, no Shareholder is required to abstain from voting at the EGM to approve the Acquisition.

As the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced or commenced within the 12-month period immediately preceding the date of this announcement), the Rights Issue is not subject to Shareholders' approval under Rule 7.19 (6) of the Listing Rules.

As the Company has made arrangements to dispose of securities not subscribed by allottees under the PALs or their renounees by means of EAFs, and such securities are available for subscription by all Shareholders and allocated on a fair basis, the Rights Issue is not subject to Shareholders' approval under Rule 7.21 of the Listing Rules.

As the Underwriter is wholly and beneficially owned by Mr. Chong Chin, who is the father-in-law of Mr. So Haw Herman (an executive Director), the Underwriter is a deemed connected person of the Company pursuant to the Listing Rules. The entering into of the Underwriting Agreement by the Company constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules but is fully exempt under Rule 14A.92 of the Listing Rules.

The payment of the underwriting commission by the Company to the Underwriter constitutes a connected transaction of the Company. The total amount of underwriting commission and fees payable by the Company is below the de minimis threshold for connected transactions under Chapter 14A of the Listing Rules, and as such the payment of commission and fees to the Underwriter pursuant to the Underwriting Agreement is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Rule 14A.76 (2) of the Listing Rules.

GENERAL

The EGM will be convened on or around 9 March 2017 to consider and, if thought fit, to pass the resolution(s) to approve the Acquisition.

The Circular containing, among other things, further details of the Acquisition and a notice of the EGM, will be despatched by the Company to the Shareholders on or before 17 February 2017. The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Prospectus Posting Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus (without the PAL, the EAF, the ARE and the ARS) to the Non-Qualifying Shareholders for information only.

As completion of the Acquisition is conditional upon satisfaction (or, if applicable, waiver) of the conditions precedent as set out under the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue shall take place after the Completion and is conditional upon, among other things, Completion and the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. Accordingly, the Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Friday, 17 March 2017. Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 3 April 2017 to Tuesday, 11 April 2017 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any person who is in any doubt about his/her position or any action to be taken is recommended to consult his/her own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

DEFINITIONS

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

“Acquisition”	acquisition of the Sale Share and the benefit of the Target Company Shareholder Loan pursuant to the Sale and Purchase Agreement
“ARE(s)”	application form(s) for Rights Shares and excess Rights Shares to be issued to CDP Depositors
“ARS(s)”	application form(s) for Rights Shares issued to purchaser of nil-paid Rights Shares, through CDP's book-entry (scrip-less) settlement system
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of the Directors

“Business Day”	a day (other than a Saturday and Sunday) on which banks are generally open for business more than five hours in Hong Kong
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“CDP”	The Central Depository (Pte) Limited, which is the securities clearing and depository house of the SGX-ST
“CDP Depositors”	persons with Shares entered against their names on the register of depositors maintained by CDP
“Circular”	the circular to be despatched by the Company on or before 17 February 2017 containing, among other thing, further details regarding the Acquisition
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“Company”	Global Tech (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which have a primary listing on the Main Board of the Stock Exchange and a secondary listing on the SGX-ST
“Completion”	the completion of the Acquisition
“Consideration”	the consideration in the aggregate sum of HK\$318,000,000 (subject to adjustments) to be paid by the Purchaser to the Vendor for the Acquisition
“Controlling Shareholder” or “Road Shine”	Road Shine Developments Limited, a company incorporated in the British Virgin Islands with limited liability and the controlling Shareholder of the Company
“Directors”	director(s) of the Company
“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders, pursuant to which the Qualifying Shareholders may apply for the Rights Shares in excess of such Shareholders’ assured entitlement under the Rights Issue in the agreed form

“EGM”	the extraordinary general meeting of the Company to be convened to approve the Sale and Purchase Agreement
“Expression of Interest”	The Expression of Interest dated 16 December 2016 entered into between the Purchaser and the Vendor
“Independent Third Parties”	person(s) or company(ies) who/which is/are not connected with the Company and its connected persons (as defined under the Listing Rules)
“Irrevocable Undertaking(s)”	the irrevocable undertakings given by the Controlling Shareholder (i) to the Company to subscribe for the maximum number of Shares permitted under the Rights Issue; and (ii) to the Company to vote in favour of the ordinary resolution approving the Acquisition at the EGM, both dated 26 January 2017
“Last Trading Day”	26 January 2017, being the date of the Underwriting Agreement
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 18 April 2017 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus
“Latest Time for Termination”	4:00 p.m. on Wednesday, 19 April 2017, being the fourth business day following (but excluding) the Latest Time for Acceptance or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	24 March 2017, being the long stop date of the Sale and Purchase Agreement
“Market Day”	a day on which the SGX-ST is open for trading in securities
“New Shareholder’s Loan”	the unsecured and interest-free Shareholder’s loan amounting to HK\$286,200,000 to be granted to the Company by the Controlling Shareholder before the EGM

“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, after making relevant enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules, consider it necessary or expedient to exclude from the Rights Issue on account either of the legal restrictions under the laws of the relevant place or the requirements of any relevant regulatory body or stock exchange in that place
“Overseas Shareholders”	Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong and Singapore. For the avoidance of doubt, CDP Depositors shall not be regarded as Overseas Shareholders
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Rights Issue
“Property”	the property being the whole of the 15th Floor of Tower II, Admiralty Centre, No. 18 Harcourt Road, Hong Kong, which is legally and beneficially owned by the Target Company
“Prospectus”	the Rights Issue prospectus in the agreed form expected to be dated the Prospectus Posting Date
“Prospectus Documents”	the Prospectus, the PAL, the EAF, the ARE and the ARS (where applicable)
“Prospectus Posting Date”	Thursday, 30 March 2017 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents
“Purchaser”	Capital Ring Enterprises Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Purchaser’s Solicitors”	Robertsons or such other firm of Hong Kong solicitors which the Purchaser may from time to time notify to the Vendor in writing as having been appointed to represent the Purchaser in the sale of the Sale Share and assignment of Target Company Shareholder Loan under the Sale and Purchase Agreement;

“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) is/are registered on the register of the members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Tuesday, 21 March 2017, or such other date as may be agreed between the Company and the Underwriter in writing for the determination of the entitlements under the Rights Issue
“Rights Issue”	the proposed issue of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus
“Rights Share(s)”	2,582,986,966 new Shares, proposed to be offered to the Qualifying Shareholders under the Rights Issue for subscription on the terms
“Sale and Purchase Agreement”	the sale and purchase agreement dated 26 January 2017 (after trading hours) entered into between the Purchaser and the Vendor in relation to the Acquisition
“Sale Share”	one (1) share legally and beneficially owned by the Vendor, representing the entire issued share capital of the Target Company as at the date of Completion
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) of HK\$0.010 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Eagle Faith Investments Limited (鷹信投資有限公司), a company incorporated under the laws of Hong Kong and registered as a Hong Kong company

“Target Company Shareholder Loan”	the sum as at the Completion being advanced by the Vendor to the Target Company by way of shareholder’s loan
“Undertaken Shares”	1,374,605,446 Rights Shares agreed to be taken up by Road Shine under the Irrevocable Undertaking
“Underwriter” or “Yicko”	Yicko Securities Limited, a licensed corporation to carry out business in Type 1 (dealing in securities) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 26 January 2017 and entered into between the Company and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	1,208,381,520 Rights Shares being underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“Vendor”	First Choice Properties Limited, a company incorporated under the laws of British Virgin Islands and registered as a Hong Kong company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board of
Global Tech (Holdings) Limited
DU Jun
Chairman

Hong Kong, 26 January 2017

As at the date of this announcement, the Board comprises nine Directors, of which (i) two are executive Directors, namely Mr. HUANG Zhen Qian and Mr. SO Haw Herman; (ii) four are non-executive Directors, namely Mr. DU Jun, Mr. LI Xiang Yu, Mr. CUI Ming Hong and Mr. YANG Li Ming; and (iii) three are independent non-executive Directors are Mr. WONG Chun Man, Mr. TSE Yung Hoi and Mr. NG Man Kung.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, 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.