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HL Technology Group Limited

泓淋科技集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1087)

SUPPLEMENTAL AGREEMENT AND COMPLETION IN RESPECT OF VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION

The Board announces that on 26 November 2013 (after trading hours), the Company, the Purchaser and Mr. Chi Shaolin (as the guarantor for the Purchaser) entered into the Second Supplemental Agreement to supplement and revise certain terms of the S&P Agreement (as supplemented by the Supplemental Agreement).

Following the execution of the Second Supplemental Agreement, the Board is pleased to announce that all conditions precedent under the S&P Agreement (as supplemented by the Supplemental Agreement) have been fulfilled, and Completion took place on 26 November 2013.

The final Consideration is fixed at HK\$620,732,000 pursuant to the terms of the S&P Agreement (as supplemented by the Supplemental Agreement and the Second Supplemental Agreement). The final Consideration has been settled by the Purchaser by procuring Mr. Chi Shaolin setting off an amount equivalent to HK\$650,000,000 under the Promissory Note, and the Company has, by way of prepayment, procured Weihai Electronic setting off outstanding amount owed by Dezhou Electronic of HK\$29,268,000, being the amount equivalent to the difference between the final Consideration and the outstanding amount under the Promissory Note as at the date of Completion, upon Completion.

Reference is made to the circular of HL Technology Group Limited (the “Company”) dated 27 June 2013 in relation to, among other things, a very substantial disposal and connected transaction of the Company (the “Circular”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

* for identification purpose only

As set out in the announcement of the Company dated 16 July 2013, the Disposal and the transactions contemplated under the S&P Agreement (as supplemented by the Supplemental Agreement) have been approved by the Independent Shareholders at the EGM held on 16 July 2013.

SECOND SUPPLEMENTAL AGREEMENT

The Board announces that on 26 November 2013 (after trading hours), the Company, the Purchaser and Mr. Chi Shaolin (as the guarantor for the Purchaser) entered into a deed (the “Second Supplemental Agreement”) to supplement and revise certain terms of the S&P Agreement (as supplemented by the Supplemental Agreement). Details of the Second Supplemental Agreement are set out below:

Date: 26 November 2013 (after trading hours)

Parties:

Vendor: the Company

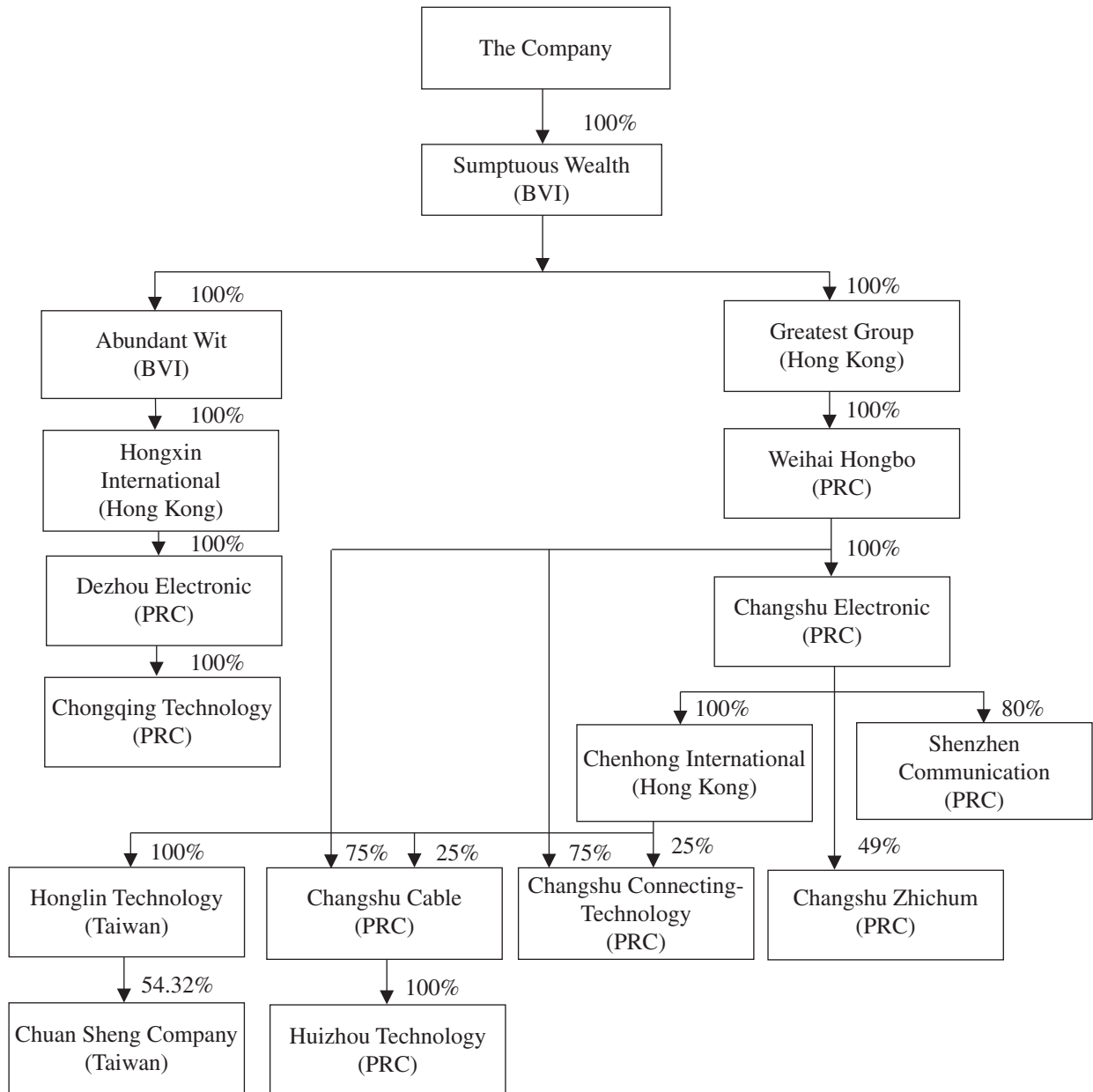
Purchaser: Jia Ya Developments Limited, which is wholly-owned by Mr. Chi Shaolin

Guarantor for the Purchaser: Mr. Chi Shaolin, the controlling Shareholder, the chairman and chief executive officer of the Company and an executive Director

Pursuant to the Second Supplemental Agreement, the Company, the Purchaser and Mr. Chi Shaolin agreed, among other things:

- (i) as the outstanding amount (including the principal and accrued interest (if any)) under the Promissory Note as at the date of Completion of HK\$650,000,000 is higher than the final Consideration of HK\$620,732,000, the Company shall, by way of prepayment, settle such difference of HK\$29,268,000 (the “Difference”) upon Completion by procuring Weihai Electronic (a wholly-owned subsidiary within the Remaining Group) to set off outstanding sum in an aggregate amount of HK\$29,268,000 (equivalent to RMB23,206,000) owing by Dezhou Electronic (an indirect wholly-owned subsidiary of Sumptuous Wealth within the Disposal Group) to satisfy the Difference.

- (ii) the shareholding structure of the Disposal Group upon completion of the Reorganisation shall be as follows:



Save as the amendments disclosed above, all other terms and conditions under the S&P Agreement (as supplemented by the Supplemental Agreement) shall remain in full force and effect.

INFORMATION OF CHUAN SHENG COMPANY AND CHANGSHU ZHICHUN

Two non-wholly-owned companies, namely 川升股份有限公司 (Chuan Sheng Company Limited*, “Chuan Sheng Company”) and 常熟市智春模具科技有限公司 (Changshushi Zhichun Molding Technology Co., Ltd.*, “Changshu Zhichun”) have been acquired or formed under the Disposal Group subsequent to the despatch of the Circular. Information relating to Chuan Sheng Company and Changshu Zhichun is detailed below:

Chuan Sheng Company is a company with limited liability incorporated in Taiwan. Chuan Sheng Company is principally engaged in product design of wireless communications machinery and equipment, machinery installation, sales of and providing services relating to IT software. Honglin Technology acquired 54.32% of the interests of Chuan Sheng Company in July 2013 at a consideration of NT\$3,096,240. As at the date of this announcement, Chuan Sheng Company has a total capital of NT\$5,000,000.

Changshu Zhichun is a company with limited liability established in July 2013. It is principally engaged in the production and sales of molds, automation equipment and their fixtures and spare parts. The registered capital of Changshu Zhichun is RMB7.05 million which will be fully paid-up in 2015 accordance to its articles of association. As at the date of this announcement, approximately RMB2.9 million of the paid-up registered capital have been contributed by Changshu Electronic (being part of the Disposal Group), and by way of injection of its fixed assets, including its production facilities.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, holders of remaining interest of Chuan Sheng Company or Changshu Zhichun (and where applicable, their ultimate beneficial owners) are third parties independent of the Company and its connected person(s).

REASONS FOR ENTERING INTO THE SECOND SUPPLEMENTAL AGREEMENT

Honglin Technology was established in Taiwan and is principally engaged in the marketing of internal and external signal cable assembly and antennas, and the research and development of antennas. In view of that Chuan Sheng Company possesses the relevant experience and technology which can contribute to Honglin Technology in respect of, among other things, its research and development of antennas products, Honglin Technology acquired Chuan Sheng Company with its own internal resources as part of its normal business development in July 2013.

Changshu Electronic was established in Changshu city, Suzhou Province, the PRC and is principally engaged in the manufacturing and sales of internal signal cable assembly and antennas. Certain molds and relevant parts used by the Disposal Group were supplied by Changshu Electronic prior to the Reorganisation. Since (i) the relevant production equipment of Changshu Electronic has already been injected to Changshu Zhichun in the form of paid-up capital; and (ii) Changshu Electronic will benefit as the remaining shareholder of Changshu Zhichun is experienced in production of molds and relevant parts, the Company considers that it is reasonable to retain Changshu Zhichun in the Disposal Group in order to continue previous operation arrangement among the Disposal Group.

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Since (i) Chuan Sheng Company and Changshu Zhichun were recently established or acquired and their financial impacts on the net asset value of the Disposal Group attributable to owner of the parent represent only a decrease of approximately RMB153,000 (equivalent to approximately HK\$193,000); (ii) the considerations for the establishment or acquisition of such companies were financed by the internal resources of Honglin Technology and Changshu Electronic (both being the members of the Disposal Group); (iii) the financial impacts on the Disposal Group up to 30 September 2013 associated with the acquisition of Chuan Sheng Company and the establishment of Changshu Zhichun are already reflected in the Reviewed Accounts and the final Consideration; and (iv) the acquisition of Chuan Sheng Company and the establishment of Changshu Zhichun are merely part of the normal business development of the Disposal Group and the structure of the Disposal Group does not materially differ from that as set out in the Circular, the Board considers that the changes in organization structure of the Disposal Group as contemplated under the Second Supplemental Agreement have no material impact on the net assets of the Disposal Group and are in the interest of the Remaining Group and the Independent Shareholders taken as a whole.

The Remaining Group has been carrying out transactions with the Disposal Group (except Jia Ya Developments) as part of intragroup transactions prior to Completion and certain payables arose between the Disposal Group and the Remaining Group during the course of the Reorganisation. As a result, there have been certain amounts owing between each other of the Remaining Group and the Disposal Group. The Company considers that the settlement of the Difference by utilising such outstanding payables can minimize the cashflow impact and save the relevant bank charges.

In light of the abovementioned reasons, the Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the Second Supplemental Agreement would not have any material impact on the Disposal (including the final Consideration), the financial position of the Remaining Group or the Group as a whole and the terms of the Second Supplemental Agreement are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

COMPLETION OF THE DISPOSAL

Following the execution of the Second Supplemental Agreement, the Board is pleased to announce that all conditions precedent under the S&P Agreement (as supplemented by the Supplemental Agreement and the Second Supplemental Agreement) have been fulfilled, and Completion took place on 26 November 2013.

As set out in the Circular, the Consideration is subject to adjustment equivalent to the Value Difference and the Revaluation Surplus, provided that the final Consideration shall not exceed HK\$780 million and shall not be less than HK\$580 million. The final Consideration is fixed at HK\$620,732,000 pursuant to the terms of the S&P Agreement (as supplemented by the Supplemental Agreement and the Second Supplemental Agreement). The final Consideration has been settled by the Purchaser by procuring Mr. Chi Shaolin setting off an amount equivalent to HK\$650,000,000 under the Promissory Note, and the Company has, by way of prepayment, procured Weihai Electronic setting off outstanding amount owed by

Dezhou Electronic of HK\$29,268,000 (equivalent to RMB23,206,000), being the amount equivalent to the Difference, upon Completion pursuant to the S&P Agreement (as supplemented by the Supplemental Agreement and the Second Supplemental Agreement).

Following the Completion, the Company ceased to have any interest in the Disposal Group, all outstanding amounts under the Promissory Note have been set off, and the Promissory Note has been cancelled.

By order of the Board
HL Technology Group Limited
Chi Shaolin
Chairman and CEO

Hong Kong, 26 November 2013

As at the date of this announcement, the executive Directors are Mr. Chi Shaolin, Mr. Lu Chengye and Mr. Cheng Wen, and the independent non-executive Directors are Mr. Pao Ping Wing, Mr. Thomas Tam and Ms. Zheng Lin.