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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)**

### **INSIDE INFORMATION MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION**

This announcement is made by the Company pursuant to Rule 13.09(2) of Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board is pleased to announce that on 13 October 2015 (after trading hours), the Purchaser entered into a non-legally binding MOU with the Vendor in relation to the Proposed Acquisition.

The MOU is non-legally binding (save for those terms in relation to the deposit, due diligence, termination, exclusivity, confidentiality, costs and expenses and governing law) and is subject to, among others, the execution of the Formal Agreement. The terms of the Formal Agreement for the Proposed Acquisition have yet to be determined.

**The MOU may or may not lead to the entering into of any definitive agreement(s) for the Proposed Acquisition. The Proposed Acquisition, if materialised, may constitute a notifiable transaction for the Company under the Listing Rules. The Company will make further announcement(s) as and when appropriate and comply with all other applicable requirements under the Listing Rules. As the Proposed Acquisition may or may not be materialised, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by the Company pursuant to Rule 13.09(2) of Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

\* For identification purpose only

## **MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED ACQUISITION**

The Purchaser entered into a non-legally binding MOU with the Vendor in relation to the Proposed Acquisition.

### **Major Terms of the MOU**

Date: 13 October 2015

Parties: (1) Fortune Grace Management Limited, as the Vendor  
(2) the Company, as the Purchaser

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

### **Assets intended to be acquired**

Pursuant to the MOU, the Purchaser intends (or procure any subsidiary of the Purchaser) to acquire and the Vendor intends (by itself or its ultimate beneficial owner) to sell not less than 51% of the issued share capital of the Target Company. The Target Company and its subsidiaries are principally engaged in the business of network system integration, including provision of network infrastructure solutions and net professional services as well as internet related software solutions.

### **Consideration**

Pursuant to the MOU, the indicative consideration for the Proposed Acquisition shall be not more than HK\$600,000,000 (based on the entire issued share capital of the Target Company), payable by the Purchaser or any of its subsidiary to the Vendor by way of cash, promissory note, issue and allotment of shares, issue of convertible notes and/or in such other amount and forms of payment (or a combination of the said forms of payment) by the Purchaser but the exact proportion will be agreed between the parties upon signing of the Formal Agreement.

### **Deposit**

In addition, pursuant to the MOU, the Purchaser will pay a sum of HK\$30,000,000 to the Vendor as a refundable deposit which will be used to settle part of the consideration of the Proposed Acquisition under the Formal Agreement upon its completion. Such refundable deposit shall be refunded to the Company in the event that the MOU is terminated otherwise than due to the entering into of the Formal Agreement.

## **Due diligence**

Upon signing of the MOU, the Vendor agreed to provide, and shall procure the provision of, to the Purchaser and its advisers any information and access as the Purchaser and its advisers shall reasonably require to complete the due diligence review on the subject matter of the Proposed Acquisition.

## **Exclusivity**

Pursuant to the MOU, the Vendor agrees that, without the prior written consent of the Purchaser, it shall not during the period from the date of the MOU up to the earlier of (i) the date of signing of the Formal Agreement; (ii) the date falling ninety (90) days from the date of the MOU; or (iii) such later date as the parties to the MOU may otherwise agree in written form (the “**Exclusivity Period**”), directly or indirectly engage any discussion or negotiation with any third party in respect of the sale, transfer, assignment of or otherwise deal with any direct or indirect interest or investment in any of the members of the Target Company.

## **Termination**

This MOU shall terminate forthwith, without prejudice to those matters expressly reserved or stated in the MOU, on the earlier of: (i) at the expiration of the Exclusivity Period unless the Exclusivity Period is extended upon written consent of the parties to the MOU; or (ii) the execution of the Formal Agreement; or (iii) the seventh (7<sup>th</sup>) day from the date of the termination notice issued by the Purchaser to the Vendor, upon which, save and except for the provision on the confidentiality of the MOU, the parties to the MOU shall have no further obligations to the other party.

## **GENERAL**

To the best knowledge of the Directors and having made all reasonable enquiries, the Vendor and its ultimate shareholder(s) are Independent Third Parties.

**The MOU may or may not lead to the entering into of any definitive agreement(s) for the Proposed Acquisition. The Proposed Acquisition, if materialised, may constitute a notifiable transaction for the Company under the Listing Rules. The Company will make further announcement(s) as and when appropriate and comply with all other applicable requirements under the Listing Rules. As the Proposed Acquisition may or may not be materialised, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings given to them as below:

“Board”	board of Directors;
“Company”	HL Technology Group Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	director(s) of the Company;
“Formal Agreement”	the formal agreement to be entered into between the Purchaser and the Vendor in relation to the Proposed Acquisition;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	the independent third party who is, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MOU”	the memorandum of understanding dated 13 October 2015 and entered into between the Purchaser and the Vendor in relation to the Proposed Acquisition;
“PRC”	the People’s Republic of China, excluding Hong Kong, Taiwan and Macau Special Administrative Region of the PRC;
“Proposed Acquisition”	the proposed acquisition by the Purchaser of not less than 51% of the issued share capital of the Target Company;
“Purchaser”	the Company;
“Share(s)”	ordinary share(s) of US\$0.02 each in the share capital of the Company;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Wafer Systems Limited 威發系統有限公司, a company incorporated in Hong Kong and is wholly-owned by the Vendor as at the date of this announcement;
“Vendor”	Fortune Grace Management Limited, a company incorporated in the British Virgin Islands;
“%”	per cent.

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

Hong Kong, 13 October 2015

*As at the date of this announcement, the executive Directors are Mr. Chi Shaolin (Chairman and CEO), Mr. Cheng Wen, Mr. Lu Chengye and Mr. Wu Chi Luen; the non-executive Director is Mr. Wong Kui Shing, Danny, and the independent non-executive Directors are Mr. Thomas Tam, Mr. Pao Ping Wing, Ms. Zheng Lin, Mr. Qu Wen Zhou and Mr. Lu, Brian Yong Chen.*