

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 8 March 2016 (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 due diligence, exclusivity, termination, 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 materialized, 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 purposes 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: 8 March 2016

Parties: (1) Huazhong Investment (Hongkong) Co., Limited, as the Vendor
(2) HL Technology Group Limited, as the Purchaser

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 (or procure its beneficial owner) to sell the entire issued share capital of the Target Company. The Target Company is principally engaged in the provision of online service platform in the PRC. Its revenue is generated from the development fee and the provision of maintenance service fee for the online service platform in the PRC.

Consideration

Pursuant to the MOU, the indicative consideration for the Proposed Acquisition shall be not more than RMB400,000,000, payable by the Purchaser or any of its subsidiary to the Vendor in cash.

Conditions precedent

Completion of the Proposed Acquisition shall be conditional upon, inter alia:

- (i) execution of the Formal Agreement;
- (ii) completion of the corporate reorganization of the Target Company, if applicable;
- (iii) the Purchaser being satisfied with the results of the due diligence review on, the business, financial, legal aspects of the Target Company, together with its subsidiaries and controlling companies, if applicable;
- (iv) other conditions requested by the Purchaser arising from the findings of the due diligence under condition (iii);
- (v) the parties have obtained the necessary approvals or consents from the governmental authorities, regulatory authorities or other related organization of the PRC and Hong Kong (including the Stock Exchange) and other applicable regions in respect of the Proposed Acquisition;

- (vi) the Purchaser having obtained a legal opinion issued by a PRC law firm engaged by the Purchaser confirming the legality of the Formal Agreement, the full compliance with relevant laws of the PRC and passing of the aforesaid due diligence review; and
- (vii) other customary and appropriate conditions agreed.

Due diligence

Upon signing of the MOU, the Vendor warranted to endeavor to assist the Purchaser and its professional team engaged to conduct due diligence including provision of information, arranging site visit and interview of management and etc.

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 later 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**”), shall not 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 the Target Company. Also, the Vendor shall not procure the Target Company to allot and issue any shares or convertible securities or derivatives to any person during the Exclusivity Period.

Termination

This MOU shall terminate forthwith, without prejudice to those matters expressly reserved or stated in the MOU, on the earlier of: (i) the execution of the Formal Agreement; or (ii) the seventh (7th) 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 materialized, 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 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 (or procure any of its subsidiaries) and the Vendor (or procure its beneficial owner) in relation to the Proposed Acquisition
“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 8 March 2016 and entered into between the Purchaser and the Vendor in relation to the Proposed Acquisition
“Proposed Acquisition”	the proposed acquisition by the Purchaser of the entire issued share capital of the Target Company
“PRC”	the People’s Republic of China, excluding Hong Kong, Taiwan and Macau Special Administrative Region of the PRC for the purpose of this announcement
“Purchaser”	the Company
“RMB”	Renminbi, the lawful currency in the PRC
“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”	華眾科技(深圳)有限公司, a company established in the PRC and is wholly-owned by the Vendor as at the date of this announcement
“Vendor”	Huazhong Investment (Hongkong) Co., Limited, a company incorporated in Hong Kong
“%”	per cent.

By order of the Board
HL Technology Group Limited
Wu Chi Luen
Executive Director and CEO

Hong Kong, 8 March 2016

As at the date of this announcement, the executive Directors are Mr. Wu Chi Luen (CEO), Mr. Lu Chengye and Ms. Wang Fang, the non-executive Directors are Mr. Chan Sek Keung, Ringo (Chairman) and Mr. Wong Kui Shing, Danny and the independent non-executive Directors are Mr. Thomas Tam, Mr. Pao Ping Wing, Mr. Qu Wen Zhou, Mr. Lu, Brian Yong Chen and Mr. Huang Liangkuai.