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InvesTech Holdings Limited

威訊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1087)

INSIDE INFORMATION MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED CAPITAL INJECTION

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the 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 17 November 2016 (after trading hours), the Company entered into a non-legally binding MOU with the Target Company and Mr. Wu in relation to the Proposed Capital Injection.

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

The MOU may or may not lead to the entering into of any definitive agreement(s) for the Proposed Capital Injection. The Proposed Capital Injection, if materialized, may constitute a major 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 Capital Injection 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 the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED CAPITAL INJECTION

The Board is pleased to announce that on 17 November 2016 (after trading hours), the Company entered into a non-legally binding MOU with the Target Company and Mr. Wu in relation to the Proposed Capital Injection, which terms of which are set out below:

Major Terms of the MOU

Date: 17 November 2016

Parties: (1) The Company
(2) Target Company
(3) Mr. Wu

To the best knowledge of the Directors and having made all reasonable enquiries, Mr. Wu, the Target Company and its ultimate shareholders are Independent Third Parties.

Subject matter of the MOU

Pursuant to the MOU, the Group intends to inject capital in the amount of not more than RMB600,000,000 to the Target Company by way of cash and issue and allotment of consideration shares of the Company. The exact amount of the capital to be injected will be agreed among the Group, the Target Company and Mr. Wu upon signing of the Formal Agreement.

The parties to the MOU agreed that upon signing of the Formal Agreement, the Target Company, Mr. Wu and other shareholders of the Target Company 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 Group.

Upon completion of the Proposed Capital Injection, the registered capital of the Target Company will be increased and the Group will hold approximately 5% of the equity interest of the Target Company. Pursuant to the MOU, the Target Group and Mr. Wu warranted to endeavor to assist the Group in relation to the Proposed Capital Injection, including but not limited to (i) assisting the Group in carrying out its due diligence review on the Target Company and (ii) procuring other shareholders of the Target Company for their participation in the Proposed Capital Injection.

The Target Company and its subsidiaries are principally engaged in the business of the research and development, production, sales and service of mobile broadband network, Ultra High Frequency satellite communication systems and end products, as well as the development and sales of mobile information software applications.

Conditions precedent

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

- (i) execution of the Formal Agreement;
- (ii) the Group being satisfied with the results of the due diligence review on the business, financial and legal aspects of the Target Group;
- (iii) other conditions requested by the Group arising from the findings of the due diligence on the Target Company;
- (iv) the parties having obtained the necessary approvals or consents from the governmental authorities, regulatory authorities or other related organizations in the PRC, Hong Kong (including the Stock Exchange) and other applicable regions in respect of the Proposed Capital Injection and/or the shareholders of the Company;
- (v) the Group having obtained a legal opinion issued by a PRC law firm engaged by the Group confirming the legality of the Formal Agreement and that the Proposed Capital Injection is in full compliance with relevant laws of the PRC and passing of the due diligence review; and
- (vi) other customary and appropriate conditions agreed.

Due diligence

Upon signing of the MOU, the Target Company and Mr. Wu warranted to endeavor to assist the Group 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 Target Company and Mr. Wu warranted that, without the prior written consent of the Company, each of them 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 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**”), will 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 Group. Also, the Target Company and Mr. Wu also warranted that procure the Target Company shall not 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 7 day from the date of the termination notice issued by the Company to the parties of the MOU 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, Mr. Wu, the Target Company 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 Capital Injection. The Proposed Capital Injection, if materialized, may constitute a major 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 Capital Injection 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” InvesTech Holdings Limited, a company incorporated in Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange

“Director(s)”	director(s) of the Company
“Formal Agreement”	the formal agreement to be entered into among the Company, the Target Company, Mr. Wu and the other shareholders of the Target Company in relation to the Proposed Capital Injection
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and its connected person(s) (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wu”	Mr. Wu Guangsheng (吳光勝先生), a citizen of the PRC, who is the largest shareholder of the Target Company holding approximately 39.98% equity interest in the Target Company
“MOU”	the memorandum of understanding dated 17 November 2016 and entered into among the Company, the Target Company and Mr. Wu in relation to the Proposed Capital Injection
“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
“Proposed Capital Injection”	the proposed capital injection of not more than RMB600,000,000 into the Target Company by the Group
“RMB”	Renminbi, the lawful currency of 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”	China Communication Technology Co., Ltd.* (華訊方舟科技有限公司), a company established in the PRC with limited liability, the holding company of Huaxun Fangzhou Co., Ltd* (華訊方舟股份有限公司) which is listed in the Shenzhen Stock Exchange (Stock Code: 000687.SZ)
“Target Group”	the Target Company and its subsidiaries
“%”	per cent.

By order of the Board
InvesTech Holdings Limited
Chan Sek Keung, Ringo
Chairman and Chief Executive Officer

Hong Kong, 17 November 2016

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

** For identification purpose only*