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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)**

**LETTER OF INTENT AND MEMORANDUM OF UNDERSTANDING  
IN RELATION TO COOPERATION WITH  
CHINA COMMUNICATION TECHNOLOGY CO., LTD.\***

This announcement is made by the Company on voluntary basis.

**BACKGROUND**

Reference is made to the Company's announcement dated 17 February 2017 in relation to the proposed capital injection of RMB600,000,000 from the Company into the Target Company pursuant to the Capital Injection Agreement entered into among the Company, the Target Company and the shareholders of the Target Company on 17 February 2017.

The Board is pleased to announced that, as the first step of the cooperation between the Company and the Target Company after the signing of the Capital Injection Agreement, the Company and the Target Company entered into the Letter of Intent and the MOU on 14 June 2017.

Principal terms of the Letter of Intent and the MOU are set out as follows:

## **LETTER OF INTENT**

*Date:* 14 June 2017

*Parties:* the Company (as trial sale agent); and  
the Target Company (as principal)

### *Cooperation under the Letter of Intent*

Pursuant to the Letter of Intent, the Target Company agreed to appoint the Company or any subsidiary nominated by the Company to be the trial sale agent of its satellite communications products. During the trial sale period, the Company may place purchase order of the satellite communications products together with the relevant sale proposal to the Target Company. Each purchase order shall not be less than RMB5 million.

### *Term*

The trial sale period shall last for a period of 6 months from the date of the Letter of Intent.

### *Sale Target*

Should the Company meet the sale target in the aggregate amount of RMB50 million during the trial sale period, the Target Company shall appoint the Company as a formal sale agent of its satellite communications products and issue an authorization certificate to the Company. Otherwise, if the Company fails to meet with sale target during the trial sale period, it shall be up to the Target Company's discretion to determine to appoint the Company as its formal sale agent or not.

The sale target only serves as an indicator for the Target Company to consider whether to appoint the Company as its formal sale agent after the trial sale period. The Company has no obligation to reach the sale target under the Letter of Intent.

## MOU

*Date:* 14 June 2017

*Parties:* the Company; and  
the Target Company

### *Cooperation under the MOU*

It is agreed that upon completion of the Capital Injection Agreement, the parties shall rely on their respective client base in the PRC, and utilize the advantage of the AirMobi network products (the “**Products**”) of the Target Company and the capabilities of the network system integration platform of the Company, to carry out cooperation on (i) the sale and marketing of the software and hardware of WLAN, WiFi network products; and (ii) the development of PRC enterprise network system integration projects.

During the term of the MOU, the parties shall cooperate in the manner as set out below:

- (i) the Target Company shall base on its Products, marketing network and customer resources, establish a national cooperative relation with the Company and further develop the PRC enterprise private network market with the Company;
- (ii) the Company shall undertake projects of enterprise network application software and hardware systems integration in accordance with the needs of the PRC enterprises;
- (iii) the Company shall use its network system integration platform to undertake the projects of the Target Company or the Company or the joint projects of the parties;
- (iv) the Target Company shall provide technical consultation and support of its Products during the business development process.

The Company agreed to purchase the Products from the Target Company during the term of the MOU. The parties will obtain all necessary prior approval and enter into legally binding agreement when the cooperation under the MOU is materialized.

The terms of the MOU (save for the confidentiality clause) are non-legally binding on the parties.

### *Term*

The MOU shall be effective for a term of 1 year commencing from the date of the MOU.

### **INFORMATION OF THE TARGET COMPANY**

The Target Company is a limited liability company incorporated on 21 August 2007 in PRC and is principally engaged in research and development, design, production and sales of computer software and hardware, communication products, metal, semi-conductor and provision of network information service. Its major businesses include high-frequency satellite communication systems, military communication and provision of related supporting services.

The Target Company is specialised in developing ground receivers which are compatible with both Ka-band and Ku-band signal from satellites. Further, the Target Company is now proactively engaged in satellite operation service business to develop a more comprehensive satellite business chain. Moreover, the Target Company has been devoting resources in the research of Terahertz. The Target Company expects to develop Terahertz products in respect of (i) microchips, (ii) security inspection equipment; (iii) spectrum analyser and (iv) wireless communication.

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

### **REASONS FOR AND BENEFIT OF THE LETTER OF INTENT AND MOU**

Over the past few years, due to the uncertainty of worldwide economy, the continuous intense competition and technological advancement in the telecommunications industry, the Company underwent various business restructuring to gradually shift its business focus from the traditional telecommunication products and services to the design, development of network communication business and the mobile office automation software business in order to improve the overall sustainable profitability and bring long-term contribution to Shareholders.

By entering into the Letter of Intent, the Company and the Target Company will jointly develop the satellite communication market and thereby diversify the Group's business to the prospective and steadily-growing satellite communication industry, which provide opportunities to the Group to expand its business scope and broaden its source of income.

In summary, it is expected that the strengthened business relationship between the Group and the Target Company will enable the Group to secure more business opportunities to combine the technological know-how and existing products and services of the two parties to jointly-develop the market and bring in additional revenue and profit to the Group.

Based on the in-depth market development experiences of network communication market in the past years of the Group and Target Company respectively in PRC, the Directors consider the MOU will provide business opportunities which could lead to synergies between the Group's existing businesses and that of the Target Company.

Pursuant to MOU, the Company and the Target Company will combine their existing products and services and share among each other their respective customer base in the PRC to carry out cooperation on the marketing and sales of software and hardware of WLAN and WiFi network products in the PRC and to jointly develop enterprise private network market in the PRC.

The Company will leverage on its capabilities in the network system integration platform and products with leading edge technology such as the mobile office conferencing devices developed by Wafer Systems Limited ("Wafer"), a wholly-owned subsidiary of the Company, to combine in application with the AirMobi network products developed by the Target Company to provide more comprehensive product portfolio to enterprise customers in PRC.

Wafer's existing customer base primarily consists of top 500 foreign companies in PRC. By entering into MOU, Wafer can leverage on the existing customer base of the Target Company and expand the marketing and sales channel for its products to domestic small to medium enterprises in the PRC which exactly is a focused market covered by the Target Company in the PRC. On the other hand, the Company could also expand sales of its existing products and services to overseas clients of the Target Company.

In view of the above, the Board is of the view that the entering into the Letter of Intent and the MOU is in the interests of the Company and the Shareholders as a whole.

## 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;
“Capital Injection Agreement”	a capital injection agreement dated 17 February 2017 entered into among the Company, the Target Company, and the shareholders of the Target Company relating to the injection of capital of RMB600,000,000 by the Company into the Target Company;
“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;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“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);
“Letter of Intent”	the letter of intent entered into between the Company and the Target Company on 14 June 2017 in relation to the proposed cooperation on the sale of satellite communications products developed and produced by the Target Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“MOU”	the memorandum of understanding entered into between the Company and the Target Company on 14 June 2017 in relation to the proposed cooperation on the PRC enterprise network system integration projects;
“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;
“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;
“Shareholder(s)”	holder(s) of the Shares;
“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), the shares of which are listed in the Shenzhen Stock Exchange (Stock Code: 000687.SZ); and
“%”	per cent.

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

Hong Kong, 14 June 2017

*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 and the independent non-executive Directors are Mr. Wong Chun Sek, Edmund, Mr. Lu, Brian Yong Chen and Mr. Huang Liangkuai.*

*\* For identification purposes only*