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## **Geotech Holdings Ltd.**

### **致浩達控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code : 1707)**

#### **ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE; RULE 13.09 OF THE LISTING RULES AND THE INSIDE INFORMATION PROVISIONS; AND RESUMPTION OF TRADING**

This announcement is made by Geotech Holdings Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **THE MOU**

The Board was informed by the Vendors that, on 6 November 2018 (after trading hours), the MOU was entered into among the Vendors and the Potential Purchaser, pursuant to which the Vendors agreed to negotiate the sale of and the Potential Purchaser agreed to negotiate the purchase of Shares held by the Vendors.

As at the date of this announcement, the Vendors in aggregate hold 737,000,000 Shares, representing approximately 52.64% of the existing issued share capital of the Company.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, (i) the Potential Purchaser is a company incorporated in the British Virgin Islands with limited liability; and (ii) the Potential Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

In accordance with the requirement of the Takeovers Code, if the Possible Transfer materialises and is completed, an obligation will be triggered on the part of the Potential Purchaser and parties acting in concert with it to make a mandatory unconditional general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Potential Purchaser and parties acting in concert with it) under Rule 26.1 of the Takeovers Code.

## **FORMAL AGREEMENT(S) AND DUE DILIGENCE**

It is the intention of the Potential Purchaser and the Vendors to enter into a formal sale and purchase agreement (the “**Formal Agreement**”) in relation to the Possible Transfer during the Exclusive Period. The Formal Agreement shall set out and include the exact number of Shares to be purchased by the Potential Purchaser and the consideration thereof, the relevant conditions precedent and such other usual warranties and undertakings to be given by the Vendors under similar transactions.

The Potential Purchaser shall conduct such due diligence review on assets, liabilities, business, financial, legal and other affairs of the Group during the Exclusive Period. The Vendors agreed to procure the Group to cooperate with the Purchaser and provide all documents and information requested by the Purchaser and/or its designated adviser(s) for carrying out the due diligence review.

## **EXCLUSIVITY**

Pursuant to the MOU, the Vendors agreed that they shall not directly or indirectly negotiate or agree with any other party (other than the Potential Purchaser) in respect of to the Proposed Transfer or any possible disposal of any equity interest, assets or business undertaking of any members of the Group (save and except any disposal in the ordinary course of business of the Group on normal commercial terms) or do anything which is inconsistent with, or for undermining the commercial value of the Proposed Transfer during the Exclusive Period.

## **NON-LEGALLY BINDING MOU**

The MOU is not legally binding, save for certain general provisions including costs, confidentiality, notices, governing laws and jurisdiction and process agents.

The Possible Transfer is therefore subject to the execution and completion of the Formal Agreement. If the Formal Agreement materialises, the Company will comply with the relevant requirements under the Listing Rules and the Takeovers Code as and when appropriate.

## **TERMINATION**

The MOU will be terminated upon the earlier of (i) the expiry of the Exclusive Period; or (ii) the Potential Purchaser terminating the MOU.

In the event that the Formal Agreement is not entered into prior to the expiry of the Exclusive Period, or the MOU is terminated, the Potential Purchaser shall reimburse Vendor 1 all legal and professional costs and expenses incurred by Vendor 1 as a result of the Proposed Transfer, which amount shall not be more than HK\$950,000.

In the event that the Formal Agreement is not entered into prior to the expiry of the Exclusive Period, or the MOU is terminated, the Potential Purchaser shall reimburse Vendor 2 all legal and professional costs and expenses incurred by Vendor 2 as a result of the Proposed Transfer, which amount shall not be more than HK\$50,000.

## **POSSIBLE GENERAL OFFER FOR THE SHARES AND TAKEOVERS CODE IMPLICATIONS**

Subject to the Formal Agreement being entered into and the satisfaction or waiver (as the case maybe) of such conditions precedent to completion as may be specified therein, it is contemplated that upon completion of the Possible Transfer, the Potential Purchaser and parties acting in concert with it will hold more than 50% of the issued share capital of the Company. In accordance with the requirement of the Takeovers Code, if the Possible Transfer materialises and is completed, that will trigger an obligation on the part of the Potential Purchaser and parties acting in concert with it to make a mandatory unconditional general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Potential Purchaser and parties acting in concert with it) under Rule 26.1 of the Takeovers Code. As at the date of this announcement, no Formal Agreement had been entered into in respect of the Possible Transfer and the negotiations are still in progress and the Possible Transfer may or may not proceed.

As at the date of this announcement, the Company has 1,400,000,000 Shares in issue and does not have any other outstanding convertible securities, options and warrants. Save as disclosed above, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

## **MONTHLY UPDATE**

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer under the Takeovers Code is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code.

## **DEALING DISCLOSURE**

For the purposes of the Takeovers Code, the offer period is deemed to commence on the date of this announcement, being 7 November 2018.

The associates (as defined in the Takeovers Code, including but not limited to any person holding 5% or more of a class of relevant securities of the Company) of the Company and the Potential Purchaser as well as its associates (as defined in the Takeovers Code) are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

## **RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES**

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them.*

*Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

*“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.*

**There is no assurance that the Possible Transfer or any transactions referred to in this announcement will materialise or eventually be consummated and the relevant discussions may or may not lead to a general offer under Rule 26.1 of Takeovers Code. Shareholders and potential investors of the Company are hereby informed that the completion of the Possible Transfer is subject to the Formal Agreement being entered into and the satisfaction (or, as the case may be, waiver) of such conditions precedent to completion as may be specified therein. The negotiation in relation to the Possible Transfer and the possible general offer arising from the Possible Transfer may or may not proceed, and the terms of the Possible Transfer are subject to further negotiations among the Vendors and the Potential Purchaser. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).**

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 7 November 2018 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 8 November 2018.

## DEFINITION

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of Directors
“Company”	Geotech Holdings Ltd., an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Exclusive Period”	a period of 30 days starting from the date of the MOU (or such later date as may be agreed by the Potential Purchaser and the Vendors)
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into in relation to the Possible Transfer
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the non-legally binding memorandum of understanding dated 6 November 2018 and entered into between the Vendors and the Potential Purchaser setting out the understanding in relation to the Possible Transfer

“Possible Transfer”	the possible transfer of Shares by the Vendors to the Potential Purchaser pursuant to the MOU
“Potential Purchaser”	a potential purchaser, an independent third party not connected to the Company and its connected person
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor 1”	Flourish Team Limited, a company incorporated in the British Virgin Islands with limited liability, is owned as to 49% by Mr. Yau Kin Wing Sino, an executive Director and the chairman of the Board, 49% by the late Mr. Cheung Ting Kam, and 2% by Mr. Kung Ho Man, an executive Director and chief executive officer of the Company, and holds 714,000,000 Shares, representing approximately 51% of the existing issued share capital of the Company
“Vendor 2”	Double Wink Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Ms. Tang Ka Wa Danise, an executive Director, and holds 23,000,000 Shares, representing approximately 1.64% of the existing issued share capital of the Company
“Vendors”	Vendor 1 and Vendor 2
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**Geotech Holdings Ltd.**  
**Yau Kin Wing Sino**  
*Chairman*

Hong Kong, 7 November 2018

*As at the date of this announcement, the Board comprises Mr. Yau Kin Wing Sino, Mr. Kung Ho Man and Ms. Tang Ka Wa Danise as executive Directors, and Mr. Fung Chi Kin, Mr. Cheung Wai Lun Jacky, Mr. Chow Chun To and Mr. Wei Qianjiang as independent non-executive Directors.*

*All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.*