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千里眼控股有限公司  
**TeleEye Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 8051)

**FOXCONN (FAR EAST) LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*

## **JOINT ANNOUNCEMENT**

**(1) ACQUISITION OF SHARES OF TELEEYE HOLDINGS LIMITED  
BY FOXCONN (FAR EAST) LIMITED**

**AND**

**(2) MANDATORY UNCONDITIONAL CASH OFFER BY  
HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED  
ON BEHALF OF**

**FOXCONN (FAR EAST) LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
TELEEYE HOLDINGS LIMITED**

**(OTHER THAN THOSE ALREADY OWNED AND/OR  
AGREED TO BE ACQUIRED  
BY FOXCONN (FAR EAST) LIMITED AND/OR PARTIES ACTING  
IN CONCERT WITH IT)**

**AND**

**(3) RESUMPTION OF TRADING IN SHARES  
OF TELEEYE HOLDINGS LIMITED**

Financial adviser to the Offeror

 **華泰金融控股(香港)有限公司**  
HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

### **THE SALE AND PURCHASE AGREEMENT**

The Company was notified by the Vendor that on 12 April 2016, the Vendor, the Guarantor and the Offeror entered into the Sale and Purchase Agreement pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase 419,060,100 Shares, representing approximately 50.07% of the entire issued share capital of the Company as at the date of this joint announcement, for a total cash consideration of HK\$230,483,055 (being HK\$0.55 per Share).

All the conditions under the Sale and Purchase Agreement have been fulfilled on or before the date of the Sale and Purchase Agreement. Completion took place on the same date of the Sale and Purchase Agreement.

## **MANDATORY UNCONDITIONAL CASH OFFER**

Immediately prior to Completion, none of the Offeror and parties acting in concert with it owns any Shares, convertible securities, options, warrants or derivatives in the Company. Immediately following Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it own in aggregate 419,060,100 Shares, representing approximately 50.07% of the entire issued share capital of the Company. The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned and/or agreed to be acquired by it and/or parties acting in concert with it.

Huatai will, on behalf of the Offeror, make the Offer on the following basis:

For each Offer Share . . . . . HK\$0.55 in cash

As at the date of this joint announcement, there are 836,920,850 Shares in issue and the Company does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares.

Principal terms of the Offer are set out in the section headed “Mandatory Unconditional Cash Offer” below. The Offeror intends to finance the Offer by its internal resources. Huatai, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for full acceptance of the Offer.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer.

## **DESPATCH OF COMPOSITE OFFER DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror will despatch an offer document in relation to the Offer. The Offeror and the Company intend to combine the offer document and the Company’s board circular in a composite offer document to be posted within such period.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee has been established by the Company to advise the Offer Shareholders in respect of the Offer. An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. A further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser.

## **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES**

At the requests of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 2:00 p.m. on 12 April 2016 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 15 April 2016.

## **WARNING**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares during the period of the Offer. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

## **THE SALE AND PURCHASE AGREEMENT**

### **Date**

12 April 2016

### **Parties**

Vendor: Fast Upgrade Limited

Guarantor: Mr. Chen Haining (as guarantor for the Vendor)

Purchaser: Foxconn (Far East) Limited

The Vendor and its ultimate beneficial owner (i.e. the Guarantor) are third parties independent of, and not connected with, either the Offeror or its connected persons.

The Offeror is a third party independent of, and not connected with, either the Company or any of its connected persons, save that the Offeror has become a controlling shareholder of the Company following Completion.

### **The Sale Shares**

The Sale Shares comprise a total of 419,060,100 Shares, represents approximately 50.07% of the entire issued share capital of the Company as at the date of this joint announcement. Pursuant to the terms of the Sale and Purchase Agreement, the Sale Shares were acquired by the Offeror, free from all encumbrances and together with all rights and benefits attached and accrued to them on the Completion Date.

### **Purchase price and payment terms**

The total purchase price for the Sale Shares pursuant to the Sale and Purchase Agreement was HK\$230,483,055. The entire consideration has been satisfied by the Purchaser in accordance with the Sale and Purchase Agreement in the following manner:

- (a) transferring immediately available funds in the sum of HK\$215,483,055 to the designated bank account of the Vendor as part payment of the consideration payable by the Purchaser under the Sale and Purchase Agreement; and
- (b) by delivering a cheque issued by a licensed bank in Hong Kong drawn in favour of the Vendor in the sum of HK\$15,000,000 to the Escrow Agent as the remaining balance of the consideration payable by the Purchaser under the Sale and Purchase Agreement (the “**Withholding Consideration**”).

The Withholding Consideration shall be withheld by the Escrow Agent. To the extent there are claims of the Purchaser against the Vendor and/or the Guarantor, among other things, under the Sale and Purchase Agreement, the Purchaser shall have the right, but not the obligation, to set-off in whole or in part, amount of such claims from the Withholding Consideration. Any balance of the Withholding Consideration shall be released by the Escrow Agent on the date when the Company appoints the second director nominated by the Purchaser.

The purchase price for the Sale Shares was agreed between the Offeror and the Vendor after arm’s length negotiations, taking into account (i) the Company’s cash balance and the value of the Company’s net assets, (ii) the recent market prices of the Shares, and (iii) a premium for control.

## Conditions precedent

Completion shall be conditional on the following conditions having been fulfilled or waived by the Purchaser in writing in accordance with the Sale and Purchase Agreement on or before the date of the Sale and Purchase Agreement (or such other date as may be agreed among the Vendor, the Guarantor and the Purchaser):

- (a) there is no event which, singly or jointly, is or is reasonably expected to be or may be materially adverse to, or materially and prejudicially affects, the assets, liabilities, business, general affairs, shareholder's equity, financial, results of operations, positions, conditions (financial or otherwise), taxation, prospects, corporate or trading position of the Company and/or its subsidiaries, and the title to the assets of the Company and/or its subsidiaries, from the date of the Sale and Purchase Agreement up to the Completion Date;
- (b) the deed of release for the charge dated 27 November 2015 provided by the Vendor in favour of First Top Finance Limited in respect of the Sale Shares in the form and substance satisfactory to the Purchaser having been duly executed;
- (c) the deed of release for the guarantee dated 27 November 2015 provided by the Guarantor in favour of First Top Finance Limited to guarantee the due performance of the Vendor's obligations under the Loan Agreement in the form and substance satisfactory to the Purchaser having been duly executed;
- (d) (i) the current listing of the Shares not having been withdrawn, and the Shares continuing to be traded on the Stock Exchange on and prior to the Completion Date (save for any temporary halt in connection with the Sale and Purchase Agreement or transactions contemplated thereunder); (ii) neither the Stock Exchange nor the SFC having indicated that either one of them will object to such continued listing for reasons related to or arising from the transactions contemplated under the Sale and Purchase Agreement and/or the Offer; and (iii) no other event having arisen on or before the Completion which may adversely affect the listing status of the securities of the Company on the Stock Exchange;
- (e) the warranties given by the Vendor and the Guarantor being true and accurate in all material respects and not misleading in any material respect up to and as at Completion and the undertakings given by the Vendor and the Guarantor having been complied with in all material respects up to and as at Completion; and

- (f) all necessary consents, licenses, registrations, or declarations of, or filings with, any competent authority in any such jurisdictions required to be obtained or made by the Vendor, the Guarantor, the Group and the Purchaser prior to Completion (including but not limited to any regulatory approval required to be obtained in relation to the transaction contemplated under the Sale and Purchase Agreement) shall have been obtained or made and no objection having been received by the Vendor, the Guarantor, any of member of the Group and/or the Purchaser on or before the Completion Date from the Stock Exchange or the SFC in respect of the transactions contemplated under the Sale and Purchase Agreement and this joint announcement.

All the above conditions have been fulfilled on or before the date of the Sale and Purchase Agreement.

### **Undertakings**

Pursuant to the Sale and Purchase Agreement, the Vendor and the Guarantor undertake to the Purchaser, among other things, that, as of the Completion Date and upon the close of the Offer, (i) the Group shall have a cash balance of not less than HK\$65,000,000 and (ii) the consolidated net asset value (after reduction of the abovementioned cash balance) of the Group shall be not less than HK\$0.

### **Guarantor's guarantee**

The Guarantor guaranteed to the Purchaser the full, prompt and complete performance by the Vendor of all the Vendor's obligations, commitments and undertakings under the Sale and Purchase Agreement.

### **Indemnity**

The Vendor and the Guarantor agreed to jointly and severally indemnify, defend and hold harmless the Purchaser and the Company from and against all losses suffered or incurred by the Purchaser and the Company as a consequence of or which would not have arisen but for any breach, untrue or inaccuracy of the warranties given by the Vendor and the Guarantor in the Sale and Purchase Agreement, or any failure by the Vendor and/or the Guarantor to perform any of its or his obligations in the Sale and Purchase Agreement, pursuant and subject to the terms and conditions of the Sale and Purchase Agreement.

### **Completion of the Acquisition**

Completion took place on the same date of the Sale and Purchase Agreement.

Immediately prior to Completion, the Vendor held 419,060,100 Shares, representing approximately 50.07% of the entire issued share capital of the Company. Immediately after Completion, neither the Vendor or its ultimate beneficial owner hold any Shares.

It is a term of the Sale and Purchase Agreement that the Guarantor shall continue to act as a director of the Company after Completion.

## **MANDATORY UNCONDITIONAL CASH OFFER**

Immediately prior to Completion, none of the Offeror and parties acting in concert with it owns any Shares, convertible securities, options, warrants or derivatives in the Company. Immediately following Completion and as at the date of the joint announcement, the Offeror and parties acting in concert with it own in aggregate 419,060,100 Shares, representing approximately 50.07% of the entire issued share capital of the Company. The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned and/or agreed to be acquired by it and/or parties acting in concert with it.

Huatai will, on behalf of the Offeror, make the Offer on the following basis:

For each Offer Share . . . . . HK\$0.55 in cash

As at the date of this joint announcement, there are 836,920,850 Shares in issue and the Company does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares.

Based on the offer price of HK\$0.55 per Share, the entire issued share capital of the Company is valued at HK\$460,306,467.50. The Offer will be made to the Offer Shareholders. As the Offeror and parties acting in concert with it hold in aggregate 419,060,100 Shares immediately after Completion, 417,860,750 Shares will be subject to the Offer. Based on the offer price of HK\$0.55 per Share, the total consideration of the Offer would be HK\$229,823,412.50 (assuming full acceptance of the Offer).

### **Offer Price**

The offer price of HK\$0.55 per Offer Share represents:

- (a) a discount of approximately 5.17% to the closing price of HK\$0.58 per Share as quoted on the Stock Exchange on 12 April 2016, being the Last Trading Day;
- (b) a premium of approximately 12.24% over the closing price of HK\$0.49 per Share as quoted on the Stock Exchange on 11 April 2016, being the Last Full Trading Day;
- (c) a premium of approximately 14.82% over the average closing price of HK\$0.479 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;

- (d) a premium of approximately 20.88% over the average closing price of HK\$0.455 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 31.89% over the average closing price of HK\$0.417 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a premium of approximately 485.11% over the audited consolidated net assets per Share of HK\$0.094 as at 30 June 2015 (being the date to which the latest audited consolidated annual results of the Group were made up), calculated based on the Group's audited consolidated net assets attributable to the Shareholders of approximately HK\$78,763,000 as at 30 June 2015 and 836,920,850 Shares in issue as at the date of this joint announcement; and
- (g) a premium of approximately 504.40% over the unaudited consolidated net assets per Share of HK\$0.091 as at 31 December 2015 (being the date to which the latest unaudited consolidated interim results of the Group were made up), calculated based on the Group's latest unaudited consolidated net assets attributable to the Shareholders of approximately HK\$76,516,000 as at 31 December 2015 and 836,920,850 Shares in issue as at the date of this joint announcement.

### **Highest and lowest Share prices**

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding and including the Last Trading Day (i.e. from 13 October 2015 to 12 April 2016) were HK\$0.58 per Share on 12 April 2016 and HK\$0.285 per Share on 11 November 2015, respectively.

### **Confirmation of financial resources**

The Offeror intends to finance the total consideration payable by the Offeror in respect of the Offer by its internal resources. Huatai, as the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for the full acceptance of the Offer.

### **Effect of accepting the Offer**

By accepting the Offer, the Offer Shareholders shall sell their Shares free from all Encumbrances and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made.



## **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but within seven (7) Business Days of the date of receipt of a duly completed acceptance of the Offer Shares. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

## **Overseas Shareholders**

As the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the responsibility of Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

**Any acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.**

## **Stamp duty**

Seller's ad valorem stamp duty arising in connection with acceptance of the Offer amounting to HK\$1.00 for every HK\$1,000 or part thereof of the amount payable in respect of relevant acceptances by the Offer Shareholders, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable to the Offer Shareholders who accept the Offer. The Offeror will then pay the stamp duty so deducted to the Stamp Office. The Offeror will bear buyer's ad valorem stamp duty.

## **OFFEROR'S INTERESTS IN SECURITIES OF THE COMPANY**

The Offeror confirms that, save as disclosed herein, as at the date of this joint announcement:

- (a) save for the Sale Shares, neither the Offeror nor any person acting in concert with it owned or had control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;

- (b) neither the Offeror nor any person acting in concert with it had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the 6 months prior to the date of this joint announcement;
- (c) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (d) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror or any person acting in concert with it, is a party which relates to circumstances in which the Offeror may or may not seek to invoke a pre-condition or a condition to the Offer;
- (e) neither the Offeror nor any person acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (f) neither the Offeror nor any person acting in concert with it has received any irrevocable commitment to accept the Offer; and
- (g) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror or any person acting in concert with it.

## **INFORMATION OF THE COMPANY**

The Company was incorporated in the Cayman Islands with limited liability, shares of which have been listed on GEM since 8 May 2001. The principal activity of the Company is investment holding. The Group is principally engaged in the business of manufacturing and selling video and audio monitoring systems predominantly under the brands “TeleEye” and “SMAC-M”.

## Shareholding structure of the Company

The following table sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately following Completion and as at the date of this joint announcement:

	Immediately prior to Completion		Immediately following Completion and as at the date of this joint announcement	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
The Offeror and parties acting in concert with it	–	–	419,060,100	50.07
Vendor	419,060,100	50.07	–	–
Public	417,860,750	49.93	417,860,750	49.93
Total	<u>836,920,850</u>	<u>100.00</u>	<u>836,920,850</u>	<u>100.00</u>

## FINANCIAL INFORMATION OF THE GROUP

The following table is a summary of certain audited consolidated financial information of the Group for the two financial years ended 30 June 2015 as extracted from the annual report of the Company for the year ended 30 June 2015 and certain unaudited consolidated financial information of the Group for the six months ended 31 December 2015 as extracted from the interim report of the Company for the six months ended 31 December 2015:

	Year ended 30 June		Six months ended
	2014	2015	31 December 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)
Revenue	37,513	28,941	14,463
Gross profit	14,442	10,702	6,690
Loss before taxation	(6,635)	(7,937)	(2,106)
Loss for the year/period	(6,635)	(7,937)	(2,106)

	<b>As at 30 June</b>		<b>As at</b>
	<b>2014</b>	<b>2015</b>	<b>31 December</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>2015</i>
	(audited)	(audited)	(unaudited)
Consolidated net asset value attributable to the owners of the Company	29,760	78,763	76,516

## **INFORMATION OF THE VENDOR AND THE GUARANTOR**

The Vendor is a company incorporated in the British Virgin Islands with limited liability. The Vendor is an investment holding company and it has not carried on any business since incorporation. The entire issued share capital of the Vendor is wholly and beneficially owned by the Guarantor, who is also the Chairman and chief executive officer of the Company.

## **INFORMATION ON THE OFFEROR**

The Offeror is a company incorporated in the Cayman Islands with limited liability and is a direct wholly-owned subsidiary of Hon Hai Precision Industry Co. Ltd. (trading as Foxconn, “**Hon Hai**”), a company incorporated in Taiwan and listed on the Taiwan Stock Exchange (stock code: 2317.TW). Hon Hai is one of the world’s largest integrated electronics contract manufacturing and manufacturing-related services providers. Its clients include major international electronics and information technology companies.

## **INTENTIONS OF THE OFFEROR REGARDING THE GROUP**

The Offeror intends to continue the existing principal activities of the Group and further diversify the Group’s information technology products and related services portfolio, with a particular focus on strengthening the Group’s customer support capabilities.

All of the directors of the Company (except for the Guarantor) will resign with effect from such date as is required by the Offeror or the earliest time permitted under the Takeovers Code or the Stock Exchange, whichever is the later. To ensure there will be continuity in the management of the Group’s business, the Guarantor shall remain as a director of the Company. The Offeror intends to nominate new directors to the board of the Company with effect from the earliest time permitted under the Takeovers Code or the Stock Exchange or any other later time as it thinks appropriate.

Save as in connection with the Offeror's intention regarding the Group as set out above and the potential changes to the members of the board of directors of the Company, the Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

Should there be any change to the board of directors of the Company, it will be made in compliance with the Takeovers Code and the GEM Listing Rules. A further announcement will be made upon any appointment of new directors of the Company.

## **PUBLIC FLOAT OF THE COMPANY**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all times, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

Each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

## **DESPATCH OF COMPOSITE OFFER DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror will despatch an offer document in relation to the Offer. The Offeror and the Company intend to combine the offer document and the Company's board circular in a composite offer document to be posted within such period.

## **INDEPENDENT BOARD COMMITTEE OF THE COMPANY**

The Independent Board Committee comprising Mr. Luk Chi Shing, Mr. Yau Chi Ming and Mr. Chang Kin Man has been established by the Company to advise the Offer Shareholders in respect of the Offer.

An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. A further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser.

## **DISCLOSURE OF DEALINGS**

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including persons holding 5% or more of a class of relevant securities of the Company or the Offeror) are reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

*“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 HK\$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.”*

## **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES**

At the requests of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 2:00 p.m. on 12 April 2016 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 15 April 2016.

## WARNING

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares during the period of the Offer. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

## DEFINITIONS

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

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“Acquisition”	the purchase of the Sale Shares by the Offeror from the Vendor in accordance with the terms and conditions of the Sale and Purchase Agreement
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Company”	TeleEye Holdings Limited, a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on GEM (Stock Code: 8051)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	12 April 2016
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules

“Encumbrances”	(i) any valid mortgage, pledge, charge, lien, rights of preemption, guarantee, trust arrangements or any other similar restriction on rights securing, or conferring any priority of payment in respect of, any obligation of any person, (ii) any valid proxy, power of attorney, voting trust agreement, beneficial interest, option, right of first offer or refusal or other transfer restriction in favour of any person, and (iii) any adverse, legal and valid claim as to title, possession or use
“Escrow Agent”	Asia-IO Advisors Limited, the escrow agent jointly appointed by the Purchaser and the Vendor in respect of the Withholding Consideration
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Chen Haining, the sole shareholder of the Vendor
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huatai”	Huatai Financial Holdings (Hong Kong) Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) activities under the SFO, being the financial adviser to the Offeror in respect of the Offer
“Independent Board Committee”	the independent board committee of the board of directors of the Company, comprising Mr. Luk Chi Shing, Mr. Yau Chi Ming and Mr. Chang Kin Man, formed for the purpose of advising the Offer Shareholders in respect of the Offer



“Last Full Trading Day”	11 April 2016, being the last full trading day immediately prior to the suspension of trading in the Shares pending the release of this joint announcement
“Last Trading Day”	12 April 2016, being the day on which Shares last traded on the Stock Exchange immediately prior to the suspension of trading in the Shares pending the release of this joint announcement
“Loan Agreement”	the loan agreement dated 27 November 2015 and entered into between First Top Finance Limited and the Vendor
“Offer”	the mandatory unconditional cash offer to be made by Huatai, on behalf of the Offeror, to acquire all the issued Shares not already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it
“Offer Shareholder(s)”	holder(s) of Share(s), other than the Offeror and parties acting in concert with it
“Offer Share(s)”	any of the 417,860,750 Shares that are subject to the Offer
“Offeror” or “Purchaser”	Foxconn (Far East) Limited
“Overseas Shareholder(s)”	Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale and Purchase Agreement”	the sale and purchase agreement dated 12 April 2016 and entered into among the Vendor, the Guarantor and the Offeror in relation to the sale and purchase of the Sale Shares
“Sale Shares”	419,060,100 Shares, being such number of Shares in aggregate as shall represent all the Shares that the Vendor held or was otherwise interested in the Company prior to Completion, and a “Sale Share” means any of them
“SFC”	the Securities and Futures Commission of Hong Kong

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value of HK\$0.004 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Vendor”	Fast Upgrade Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the board of directors of  
**Foxconn (Far East) Limited**  
**Ms. Yu Huang, Chiu-Lian**  
*Director*

By order of the board of directors of  
**TeleEye Holdings Limited**  
**Mr. Chen Haining**  
*Chairman and Chief Executive Officer*

Hong Kong, 14 April 2016

*As at the date of this joint announcement, the directors of the Offeror are Mr. Lee Jin-Ming and Ms. Yu Huang, Chiu-Lian.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Vendor, the Guarantor, the Group or their respective director(s)), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the Vendor, the Guarantor, the Group or their respective director(s)) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

*As at the date of this joint announcement, the executive directors of the Company are Mr. Chen Haining (Chairman and Chief Executive Officer of the Company) and Dr. Ma Chi Kit; and the independent non-executive directors of the Company are Mr. Luk Chi Shing, Mr. Yau Chi Ming and Mr. Chang Kin Man.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

*This joint announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this joint announcement misleading.*

*This joint announcement will remain at the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of it posting and on the website of the Company at [www.teleeye.com.hk](http://www.teleeye.com.hk).*