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Vixtel Technologies Holdings Limited

飛思達科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8342)

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE

Placing Agent



KGI Capital Asia Limited

PLACING AND TOP-UP SUBSCRIPTION

On 6 June 2018 (after trading hours), the Vendor, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Vendor has appointed the Placing Agent and the Placing Agent has conditionally agreed to act as the Placing Agent for the Vendor, to procure, on a best effort basis, not less than six Placées to purchase up to 24,355,000 Placing Shares held by the Vendor at the Placing Price of HK\$1.08 per Placing Share. Further, on the same day, the Vendor and the Company entered into the Subscription Agreement pursuant to which the Vendor conditionally agreed to subscribe for such number of the Subscription Shares that is equal to the number of the Placing Shares that are successfully placed by the Placing Agent pursuant to the Placing, at the Subscription Price of HK\$1.08 per Subscription Share on the Subscription Completion Date.

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 divided into 20,000,000,000 Shares of which 486,745,000 Shares are in issue.

The 24,355,000 Placing Shares represent (i) approximately 5.00% of the aggregate number of issued Shares as at the date of this announcement; and (ii) approximately 4.77% of the issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the aggregate number of issued Shares from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

The respective completion of the Placing and the Subscription are conditional on the conditions as more particularly set out in the Placing Agreement and the Subscription Agreement.

The gross proceeds from the Subscription will be approximately HK\$26.3 million. The net proceeds from the Subscription will be approximately HK\$25.5 million and are intended to be applied as general working capital purposes of the Group.

The respective completion of the Placing and the Subscription are subject to a number of conditions mentioned herein. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

(1) THE PLACING AGREEMENT

On 6 June 2018 (after trading hours), the Vendor, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Vendor has appointed the Placing Agent and the Placing Agent has conditionally agreed to act as the Placing Agent for the Vendor.

Date

6 June 2018 (after trading hours)

Parties

- (1) the Vendor (as the vendor of the Placing Shares);
- (2) the Company; and
- (3) the Placing Agent

As at the date of this announcement, the Vendor is a controlling shareholder of the Company, holding 103,335,000 Shares which represent approximately 21.23% of the issued share capital of the Company. The Vendor is wholly-owned by Mr. Sie Tak Kwan, an executive Director and the chief executive officer of the Company. Pursuant to the Deed of Concert Parties, Mr. Sie is required to obtain consent from other parties to such Deed prior to the selling and purchasing any securities of any members of the Group. Such consent has been given to Mr. Sie in respect of the Placing and the Subscription.

KGI Capital Asia Limited is a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities for the purpose of SFO. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its respective ultimate beneficial owners are third parties independent of the Company and are not connected persons of the Company. The Placing Agent will receive a placing commission of 2.5% of the amount that is equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent.

The Placing

Pursuant to the Placing Agreement, the Vendor has appointed the Placing Agent and the Placing Agent has conditionally agreed to act as the Placing Agent for the Vendor to procure, on a best effort basis, Places, to purchase up to 24,355,000 Placing Shares held by the Vendor at the Placing Price of HK\$1.08 per Placing Share.

Placees

The Placing Agent has agreed to use reasonable endeavours to ensure that the Placees and their ultimate beneficial owners will not be connected persons of the Company, the Vendor or any person acting in concert (as defined under the Takeovers Code) with it and the Placees are also independent of and not connected with the Company's directors, the chief executive, substantial shareholders, subsidiaries, or any associates of any of the aforementioned entities.

It is also expected that the Placing Shares will be placed to not less than six Placees which are professional, institutional and/or other investors. The Company does not anticipate that any of the Placees will become a substantial shareholder of the Company upon completion of the Placing.

Placing Shares

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 divided into 20,000,000,000 Shares of which 486,745,000 Shares are in issue.

The 24,355,000 Placing Shares represent (i) approximately 5.00% of the aggregate number of issued Shares as at the date of this announcement; and (ii) approximately 4.77% of the aggregate number of issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the aggregate number of issued Shares from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

Rights of the Placing Shares

The Placing Shares will be sold free from Encumbrances and together with all rights attaching to them, including the right to receive all dividends declared, made or paid after the date of the Placing Agreement and rank pari passu with all other issued Shares in all respects as at the date of the Placing Agreement.

The Placing Price

The Placing Price is HK\$1.08 per Placing Share. The Placing Price represents:

- (i) a discount of approximately 15.0% to the closing price of HK\$1.27 per Share as quoted on the Stock Exchange on the date of the Placing and Subscription Agreement; and
- (ii) a discount of approximately 17.9% to the average of the closing prices of HK\$1.316 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The Placing Price was negotiated on an arm's length basis amongst the Company, the Vendor and the Placing Agent and was determined with reference to the prevailing market price of the Shares and the recent trading volume of the Shares.

Condition of the Placing

The offer of the Placing Shares to the Placees by the Placing Agent is conditional upon:

- (a) the Placing Agreement not having been terminated prior to the completion of the Placing; and
- (b) Mr. Sie Tak Kwan having obtained consent to the Placing and the Subscription from other parties to the Deed of Concert Parties.

As at the date of this announcement, such consent has been given to Mr. Sie.

Completion of the Placing

It is expected that the Placing will be completed within two Business Days after the date of the Placing Agreement or such later time and/or date as the Vendor and the Placing Agent may agree in writing.

(2) THE SUBSCRIPTION AGREEMENT

Date

6 June 2018

Parties

- (a) the Vendor; and
- (b) the Company.

The Subscription

The Vendor has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue such number of the Subscription Shares that is equal to the number of the Placing Shares that are successfully placed by the Placing Agent pursuant to the Placing at the Subscription Price on the Subscription Completion Date.

The Subscription Price

The Subscription Price will be the same as the Placing Price.

Number of Subscription Shares

The Vendor will subscribe for and the Company will allot and issue such number of the Subscription Shares that is equal to the number of the Placing Shares that are successfully placed by the Placing Agent pursuant to the Placing.

Assuming that all the Placing Shares are successfully placed by the Placing Agent, the Subscription Shares will be 24,355,000 new Shares which represent (i) approximately 5.00% of the aggregate number of issued Shares as at the date of this announcement; and (ii) approximately 4.77% of the aggregate number of issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the aggregate number of issued Shares from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

Ranking of Subscription Shares

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the issued Shares as at the date of allotment of the Subscription Shares.

Conditions of the Subscription

Completion of the Subscription is conditional upon:

- (a) the Stock Exchange granting listing of and permission to deal in the Subscription Shares (either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agent) and such listing and permission is not subsequently revoked prior to the commencement of dealings in the Subscription Shares on the Stock Exchange; and
- (b) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

The Subscription Agreement does not provide for either party to waive any of the above conditions.

Completion

The completion of the Subscription is expected to take place at or before 4:00 p.m. on the Subscription Completion Date or such other time as the Company and the Vendor may agree subject to compliance with the GEM Listing Rules.

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM. Pursuant to the General Mandate, the total number of new Shares that the Company is authorised to issue is 97,349,000 Shares, representing 20% of the aggregate number of issued Shares of the Company as at the date of the AGM.

Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate.

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after completion of the Placing but before the Subscription, and (iii) immediately after completion of the Placing and the Subscription, assuming no changes in the issued share capital of the Company and the shareholding of parties named below between the date of the Placing and Subscription Agreement and completion of the Subscription:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	No. of Shares	Approximately (%)	No. of Shares	Approximately (%)	No. of Shares	Approximately (%)
Worldgate Ventures Limited (Notes 1 & 5)	103,335,000	21.23	103,335,000	21.23	103,335,000	20.22
Cohort Investments Limited (Notes 2 & 5)	103,335,000	21.23	78,980,000	16.23	103,335,000	20.22
Copious Link Investments Limited (Notes 3 & 5)	72,365,000	14.87	72,365,000	14.87	72,365,000	14.16
Hugemind Investments Limited (Notes 4 & 5)	31,005,000	6.37	31,005,000	6.37	31,005,000	6.07
Sino Impact Limited (Note 6)	54,710,000	11.24	54,710,000	11.24	54,710,000	10.70
Public Shareholders:						
Placees (Note 7)	0	0.00	24,355,000	5.00	24,355,000	4.77
Public Shareholders	121,995,000	25.06	121,995,000	25.06	121,995,000	23.87
TOTAL:	486,745,000	100.00	486,745,000	100.00	511,100,000	100.00

Notes:

- Worldgate Ventures Limited is wholly owned by Mr. Yue Yong, an executive Director and the chairman of the Company. Accordingly, Mr. Yue is deemed to be interested in the Shares held by Worldgate Ventures Limited under the SFO.
- Cohort Investments Limited is wholly owned by Mr. Sie Tak Kwan, an executive Director and the chief executive officer of the Company. Accordingly, Mr. Sie is deemed to be interested in the Shares held by Cohort Investments Limited under the SFO.
- Copious Link Investments Limited is wholly owned by Mr. Guan Haiqing, an executive Director. Accordingly, Mr. Guan is deemed to be interested in the Shares held by Copious Link Investments Limited under the SFO.
- Hugemind Investments Limited is wholly owned by Mr. Liang Judong, a non-executive Director. Accordingly, Mr. Liang is deemed to be interested in the Shares held by Hugemind Investments Limited under the SFO.
- Mr. Yue Yong, Mr. Sie Tak Kwan, Mr. Guan Haiqing and Mr. Liang Judong are parties to the Deed of Concert Parties. They are deemed to be interested in the aggregate Shares held by Worldgate Ventures Limited, Cohort Investments Limited, Copious Link Investments Limited and Hugemind Investments Limited under the SFO.
- Sino Impact Limited is owned as to 50% and 50% by Mr. Kwan Shan and Ms. Tam Suk Fan Sindy. Mr. Kwan Shan is the spouse of Ms. Tam Suk Fan Sindy. Accordingly, both Mr. Kwan and Ms. Tam are deemed to be interested in the Shares held by Sino Impact Limited under the SFO.
- Assuming all the Placing Shares would be allotted and issued upon completion of the Placing.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

There was no fund raising activities conducted by the Company in the past 12 months prior to the date of this announcement.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in the provision of application performance management products and services solutions to telecommunication operators and large enterprises in the PRC.

The gross proceeds of the Subscription will be approximately HK\$26.3 million. The net proceeds (after deducting all applicable costs and expenses of the Subscription) of approximately HK\$25.5 million from the Subscription are intended to be applied as general working capital purposes of the Group.

The Directors consider that the Placing and the Subscription offers a good opportunity to broaden the shareholders base and capital base of the Company and to raise capital for its future business developments. Accordingly, the Directors consider the terms of the Placing and Subscription Agreement to be fair and reasonable, on normal and commercial terms and in the interest of the Group and the Shareholders as a whole.

Completion of the Subscription is subject to a number of conditions mentioned herein. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below have the meanings assigned:

“AGM”	the annual general meeting of the Company held on 23 March 2018;
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Board”	the board of Directors;
“Business Day”	any day (excluding a Saturday) on which banks generally are open for business in Hong Kong and on which the Stock Exchange is open for the business of dealing in securities;
“Company”	Vixtel Technologies Holdings Limited, a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the GEM of the Stock Exchange (stock code: 8342);
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules;

“Deed of Concert Parties”	the deed of concert parties dated 11 August 2016 as supplemented by a supplemental deed dated 10 November 2016 entered into by Mr. Sie Tak Kwan, Mr. Yue Yong, Mr. Guan Haiqing and Mr. Liang Judong to confirm, agree and acknowledge, among other things, that they are parties acting in concert in relation to the Group;
“Director(s)”	director(s) of the Company;
“Encumbrance”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange;
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM to allot, issue and deal with up to 20% of the aggregate number of issued Shares as at the date of the AGM;
“Group”	Collectively, the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong for the time being;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Last Trading Day”	5 June 2018, being the trading date immediately prior to the date of the Placing and Subscription Agreement;
“Placee(s)”	any independent individual, institutional and/or other professional investors procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing;
“Placing”	the placing of the Placing Shares by the Vendor through the Placing Agent pursuant to the terms of the Placing and Subscription Agreement;
“Placing Agent”	KGI Capital Asia Limited, a licensed corporation defined in the SFO registered with the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities;

“Placing Agreement”	the placing agreement dated 6 June 2018 entered into amongst the Vendor, the Company and the Placing Agent in relation to the Placing;
“Placing and Subscription Agreement”	the Placing Agreement and the Subscription Agreement;
“Placing Completion Date”	any day within two Business Days after the date of the Placing Agreement, or such later time and/or date as the Vendor and the Placing Agent may agree in writing;
“Placing Price”	HK\$1.08 per Placing Share;
“Placing Share(s)”	24,355,000 existing Shares held by the Vendor;
“SFC”	the Securities and Futures Commission;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented and/or otherwise modified from time to time;
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription for the Subscription Shares by the Vendor pursuant to the terms and conditions of the Placing and Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 6 June 2018 entered into between the Vendor and the Company in relation to the Subscription;
“Subscription Price”	HK\$1.08 per Subscription Share;
“Subscription Shares”	such number of new Shares of HK\$0.01 each that is equal to the number of the Placing Shares that are successfully placed by the Placing Agent pursuant to the Placing;
“Subscription Completion Date”	on or before the seven Business Days after the date upon which the last of the conditions under the Placing and Subscription Agreement shall have been satisfied or such later time and/or date as the Company and the Vendor may agree in writing;
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules;

“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs;
“Vendor”	Cohort Investments Limited, a company incorporated in the British Virgin Islands (which is wholly-owned by Mr. Sie Tak Kwan, an executive Director and the chief executive officer of the Company) and a controlling shareholder of the Company; and
“%”	per cent.

By order of the Board
Vixtel Technologies Holdings Limited
Yue Yong
Chairman

Hong Kong, 6 June 2018

As at the date of this announcement, the executive Directors are Mr. Yue Yong, Mr. Sie Tak Kwan and Mr. Guan Haiqing; the non-executive Director is Mr. Liang Judong; and the independent non-executive Directors are Mr. Cheung Hon Fai, Professor Lam Kin Man and Mr. Shen Qi.

This announcement, for which the Directors 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, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the website of the GEM at www.hkgem.com for a minimum period of seven days from the date of its publication and on the Company’s website at www.vixtel.com.