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*This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Prosten Technology Holdings Limited.*



**DYNAMIC PEAK LIMITED**

*(incorporated in the British Virgin Islands with limited liability)*

**PROSTEN TECHNOLOGY HOLDINGS LIMITED**

**長達科技控股有限公司\***

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

**(Stock Code: 8026)**

## **JOINT ANNOUNCEMENT**

### **(1) LAPSE OF THE CONDITIONAL MANDATORY CASH OFFERS BY**



**FOR AND ON BEHALF OF DYNAMIC PEAK LIMITED FOR ALL THE ISSUED SHARES (OTHER THAN THOSE ALREADY OWNED BY DYNAMIC PEAK LIMITED AND PARTIES ACTING IN CONCERT WITH IT) IN, AND THE CANCELLATION OF ALL OUTSTANDING SHARE OPTIONS OF, PROSTEN TECHNOLOGY HOLDINGS LIMITED;**

- (2) RESIGNATION OF DIRECTORS;**
- (3) APPOINTMENT OF CHAIRMAN OF THE BOARD;**
- (4) CHANGE OF COMPOSITION OF BOARD COMMITTEES;**
- (5) DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT;**
- AND**
- (6) CHANGE OF AUTHORISED REPRESENTATIVES**

**Financial adviser to Dynamic Peak Limited**



**KINGSTON CORPORATE FINANCE LTD**

Reference is made to the composite offer document dated 25 June 2015 (the “**Composite Document**”) jointly issued by or for and on behalf of Dynamic Peak Limited (the “**Offeror**”) and Prosten Technology Holdings Limited (the “**Company**”) and the joint announcement dated 25 June 2015 issued by the Offeror and the Company in relation to the appointment of Directors. Capitalised terms used in this joint announcement shall have the same meanings as those defined in the Composite Document unless the context herein requires otherwise.

### **ACCEPTANCE LEVEL AS AT THE FIRST CLOSING DATE**

As at 4:00 p.m. on 16 July 2015, being the First Closing Date, the Offeror had received valid acceptances in respect of 594,000 Shares under the Share Offer, representing approximately 0.07% of the total issued Shares as at the date of this joint announcement, and has received valid acceptances in respect of 2,700,000 Options under the Option Offer.

### **LAPSE OF THE OFFERS**

As set out in the Composite Document, the Offers are conditional upon the Offeror having received valid acceptances of the Share Offer which, together with the Shares already acquired or agreed to be acquired by the Offeror and the parties acting in concert with it before or during the Offer Period, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company. The Option Offer is subject to and conditional upon the Share Offer becoming or declared unconditional in all respects.

Based on the level of valid acceptances of the Share Offer as at 4:00 p.m. on 16 July 2015 and the 294,276,619 Sale Shares acquired by the Offeror before the Offer Period, the Offeror and parties acting in concert with it are interested in an aggregate of 294,870,619 Shares, representing approximately 36.89% of the entire issued share capital of the Company as at the date of this joint announcement. Hence, the condition of the Share Offer has not been satisfied. The Offeror had no intention to revise the terms of the Offers or extend the Offer Period and accordingly, the Offers lapsed at 4:00 p.m. on 16 July 2015.

As a result, the Shareholders and Optionholders who have tendered their acceptances under the Offers will not sell their Shares or surrender their Options for cancellation (as the case may be) and will not be entitled to any consideration.

### **RETURN OF CERTIFICATES**

As the Offers lapsed, the Offeror shall, as soon as possible but in any event within ten (10) days from the date of this joint announcement, return by ordinary post:

- (i) the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities provided in respect thereof) in respect of the Shares lodged with the WHITE Form of Acceptance to the relevant Shareholder(s); and

- (ii) the certificate(s) or other documents (if any) evidencing the grant of the Options and any documents of title or entitlement (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Options lodged with the PINK Form of Acceptance to the relevant Optionholder(s).

## SHAREHOLDING OF THE COMPANY

Save for the 294,276,619 Sale Shares acquired by the Offeror pursuant to the S&P Agreement before the Offer Period, representing approximately 36.82% of the issued share capital of the Company as at the date of this joint announcement, none of the Shares or rights over Shares were held, controlled or directed by the Offeror or parties acting in concert with it before the Offer Period and the Offeror and parties acting in concert with it have not acquired or agreed to acquire any interest in the Shares or rights over Shares during the Offer Period up to and including the date of this joint announcement. Neither the Offeror nor any parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period up to and including the date of this joint announcement.

Set out below is a table showing the shareholding structure of the Company as at the date of this joint announcement:

	<b>Number of Shares held</b>	<b>Approximate % of Shares in issue (Note 1)</b>
The Offeror and parties acting in concert with it	294,276,619	36.82%
Director — Mr. Yip Heong Keung	6,300,000	0.79%
Mr. Yip Seng Mun (Note 2)	400,000	0.05%
Yip's family (Note 3)	17,100,000	2.14%
Right Advance Management Limited (Note 4)	150,000,000	18.77%
Will City Limited (Note 5)	100,000,000	12.51%
<b>Public Shareholders</b>	<u>237,465,881</u>	<u>29.71%</u>
<b>Total</b>	<u><b>799,242,500</b></u>	<u><b>100%</b></u>

### Notes:

- The percentage figures are based on 799,242,500 Shares in issue as at the date of this joint announcement. The aggregate of the percentage figures stated in this column does not add up to 100 percent due to rounding issue of the decimal places.
- Mr. Yip Seng Mun was personally interested in 3,761,000 Shares immediately before and immediately after the S&P Completion. On 7 May 2015, Mr. Yip Seng Mun exercised 400,000 Options with an exercise price of HK\$0.165 per Share, which converted into 400,000 new Shares. After the S&P Completion and up to the date of this joint announcement, Mr. Yip Seng Mun disposed of 3,761,000 Shares and was personally interested in 400,000 Shares.

3. Yip's family refers to Mr. Yip Heon Ping, Mr. Yip Heon Keung and Mr. Yip Heon Wai, who were together personally interested in 15,200,000 Shares immediately before and immediately after the S&P Completion. Out of these 15,200,000 Shares, Mr. Yip Heon Ping, Mr. Yip Heon Keung and Mr. Yip Heon Wai were personally interested in 5,600,000 Shares, 5,600,000 Shares and 4,000,000 Shares respectively. On 7 May 2015, Mr. Yip Heon Wai exercised 500,000 Options with an exercise price of HK\$0.165 per Share, which converted into 500,000 Shares. On 25 June 2015, each of Mr. Yip Heon Keung and Mr. Yip Heon Ping exercised 700,000 Options with an exercise price of HK\$0.165 per Share, which converted into 700,000 Shares. After the said exercise of Options and as at the date of this joint announcement, Mr. Yip Heon Ping, Mr. Yip Heon Keung and Mr. Yip Heon Wai were personally interested in 6,300,000 Shares, 6,300,000 Shares and 4,500,000 Shares respectively.
4. Right Advance Management Limited (“**Right Advance**”) is a company incorporated in the British Virgin Islands and its entire issued share capital is registered in the name of Ms. Wang Li Mei, and such Shares are ultimately owned by Mr. Wang Leilei. Ms. Wang Li Mei is the sole director of Right Advance.
5. Will City Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is held by Ms. Zhang Yingnan.

Save for the remaining outstanding 2,712,500 Options, as at the date of this joint announcement, the Company had no other outstanding convertible securities, options, warrants or derivatives in issue which confer any right to subscribe for, convert or exchange into Shares and rights over Shares.

## **RESIGNATION OF DIRECTORS**

As a result in the change in control of the Company, the Board announces that, with effect after the First Closing Date:

- (i) Mr. Yip Heon Keung will be re-designated from an executive Director to a non-executive Director and cease to be the chairman of the Board, chairman of the nomination committee and a member of the remuneration committee;
- (ii) Mr. Yip Heon Ping will resign as an executive Director;
- (iii) Ms. Li Luyi will resign as a non-executive Director;
- (iv) Mr. Tam Chun Wan will resign as an independent non-executive Director and cease to be the chairman of the audit committee and a member of the nomination committee;
- (v) Mr. Tse Yuet Ling, Justine will resign as an independent non-executive Director and cease to be the chairman of the remuneration committee and a member of the audit committee; and
- (vi) Ms. Lai May Lun will resign as an independent non-executive Director and cease to be the members of the audit committee, remuneration committee and nomination committee.

Each of Mr. Yip Heon Ping, Ms. Li Luyi, Mr. Tam Chun Wan, Ms. Tse Yuet Ling, Justine and Ms. Lai May Lun has confirmed to the Board that he/she has no disagreement with the Board and that there are no other matters in relation to his/her resignation that need to be brought to the attention to the Shareholders and the Stock Exchange.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Yip Heon Ping, Ms. Li Luyi, Mr. Tam Chun Wan, Ms. Tse Yuet Ling, Justine and Ms. Lai May Lun for their valuable contribution to the Company during their tenure of services.

#### **APPOINTMENT OF CHAIRMAN OF THE COMPANY**

With effect after the First Closing Date, Mr. Xu Zhigang, an executive Director, will be appointed as the chairman of the Board.

#### **CHANGE OF COMPOSITION OF THE BOARD COMMITTEES**

With effect after the First Closing Date, the following Directors will be appointed to the respective roles in the Board committees:

Audit Committee	Ms. Wong Chi Yan ( <i>chairman</i> ) Mr. Chen Weixi ( <i>member</i> ) Mr. Xu Xiaoping ( <i>member</i> ) Mr. Lam Kwok Cheong ( <i>member</i> )
Remuneration Committee	Mr. Xu Xiaoping ( <i>chairman</i> ) Mr. Xu Zhigang ( <i>member</i> ) Mr. Lam Kwok Cheong ( <i>member</i> )
Nomination Committee	Mr. Xu Zhigang ( <i>chairman</i> ) Mr. Xu Xiaoping ( <i>member</i> ) Mr. Lam Kwok Cheong ( <i>member</i> )

#### **DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT**

Each of Mr. Xu Zhigang and Ms. Ding Pingying has entered into a service contract with the Company on 16 July 2015 for an initial term of two years with effect from 25 June 2015 and thereafter be continuous unless and until terminated by not less than three months' notice in writing served by either party on the other or by payment of three months' fixed salary in lieu of such notice. Each of the annual basic remuneration (excluding the bonus mentioned below) of Mr. Xu Zhigang and Ms. Ding Pingying is HK\$960,000 and HK\$360,000 respectively. The basic remuneration of each of Mr. Xu Zhigang and Ms. Ding Pingying after the expiry of the initial term is subject to annual review with such increment (if any) at such rate to be determined by the remuneration committee of the Company and approved by a majority in number of the members of the Board (excluding the Director whose salary is under review) and the relevant executive Director shall abstain from voting and shall not be counted in the quorum in respect of the proposed resolution regarding the increment. Each of Mr. Xu Zhigang and Ms. Ding Pingying may be entitled to a discretionary bonus as may be determined by the remuneration committee of the Company from time to time and approved by a majority of the members of the Board by reference to the then prevailing market conditions, the performance of the Company as well as his/her individual performance.

Mr. Chen Weixi has entered into a letter of appointment with the Company on 16 July 2015 for a period of two years commencing from 25 June 2015 subject to the provision of retirement and rotation of Directors under the Articles of Association. Pursuant to the terms of the letter of appointment entered into between Mr. Chen Weixi on the one part and the Company on the other part, the annual Director's fee payable to Mr. Chen Weixi is HK\$360,000.

Each of the independent non-executive Directors (namely, Ms. Wong Chi Yan, Mr. Xu Xiaoping and Mr. Lam Kwok Cheong) has entered into a letter of appointment with the Company on 16 July 2015 for a period of two years commencing from 25 June 2015 subject to the provision of retirement and rotation of Directors under the Articles of Association. Pursuant to the terms of the letters of appointment entered into between the independent non-executive Directors on the one part and the Company on the other part, the annual Director's fee payable to each of Ms. Wong Chi Yan, Mr. Xu Xiaoping and Mr. Lam Kwok Cheong is HK\$120,000, HK\$120,000 and HK\$120,000 respectively.

The biographical details of Mr. Xu Zhigang, Ms. Ding Pingying, Mr. Chen Weixi, Mr. Xu Xiaoping, Ms. Wong Chi Yan and Mr. Lam Kwok Cheong are set out in the Composite Document and the joint announcement dated 25 June 2015 in relation to the appointment of Directors.

#### **CHANGE OF AUTHORISED REPRESENTATIVES**

With effect after the First Closing Date, (i) Mr. Yip Heon Keung and Mr. Yip Heon Ping will resign as the authorised representatives of the Company; and (ii) Mr. Xu Zhigang and Ms. Lo Oi Ling will be appointed as the authorised representatives of the company pursuant to Rule 5.24 of the GEM Listing Rules.

By Order of the board of directors of  
**Dynamic Peak Limited**  
**Xu Zhigang**  
*Director*

By Order of the Board of  
**Prosten Technology Holdings Limited**  
**Yip Heon Keung**  
*Chairman*

Hong Kong, 16 July 2015

As at the date of this joint announcement, the Board comprises the following Directors:

Mr. Yip Heon Keung (*Chairman and Executive Director*)  
Mr. Yip Heon Ping (*Executive Director*)  
Mr. Han Jun (*Executive Director*)  
Mr. Xu Zhigang (*Executive Director*)  
Ms. Ding Pingying (*Executive Director*)  
Ms. Li Luyi (*Non-executive Director*)  
Mr. Chen Weixi (*Non-executive Director*)  
Mr. Tam Chun Wan (*Independent Non-executive Director*)  
Ms. Tse Yuet Ling, Justine (*Independent Non-executive Director*)  
Ms. Lai May Lun (*Independent Non-executive Director*)  
Ms. Wong Chi Yan (*Independent Non-executive Director*)  
Mr. Xu Xiaoping (*Independent Non-executive Director*)  
Mr. Lam Kwok Cheong (*Independent Non-executive Director*)

*Mr. Chen Weixi and Mr. Xu Zhigang, directors and shareholders of the Offeror, jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Vendors and parties acting in concert with each of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Group, the Directors, the Vendors, the directors of Vendors (where applicable) and parties acting in concert with each of them) 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 of the statements in this announcement misleading.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement 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 of the statements in this joint announcement misleading.*

*This joint 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 joint announcement (other than the information relating to the Offeror and parties acting in concert with it) 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 on 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 its posting and on the website of the Company at <http://www.prosten.com>.*

*In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.*

*\* For identification purpose only*