Vital Mobile Holdings Limited
維太移動控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6133)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF A PROPOSED ACQUISITION

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that on 5 September 2016 (after trading hours), the Company as purchaser, entered into the MOU with the Vendors in relation to the Proposed Acquisition. HBZ, which is 100% owned by Mr. Guo, is principally engaged in the business of the provision of domestic and overseas integrated service platforms for mobile phone brands in the PRC. Subject to the execution of Formal Agreement by the Vendors and the Company (or its nominee), Mr. Guo will procure HBZ to inject the HBZ Overseas Business into the Target Company.

The MOU is not intended to be legally binding (save for the provisions relating to confidentiality, exclusivity, due diligence, termination, binding effect and governing law under the MOU). If the Company proceeds with the Proposed Acquisition, it (or its nominee) will enter into legally binding agreement(s) with the Vendors in respect of the Proposed Acquisition.

Shareholders and potential investors should note that the Proposed Acquisition may or may not materialise and accordingly, should exercise caution when dealing in the shares of the Company.

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MEMORANDUM OF UNDERSTANDING

The principal terms of the MOU are set out as follows:

Date: 5 September 2016

Parties: (a) the Company; and
(b) Vendors.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendors is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Assets intended to be acquired

The Target Company was incorporated in Hong Kong with limited liability. All its issued shares are held by the Vendors.

Pursuant to the MOU, the Company (by itself or its nominee) intends to acquire and the Vendors intend to sell 51% of the total issued share capital of the Target Company. HBZ, which is 100% owned by Mr. Guo, is principally engaged in the business of the provision of domestic and overseas integrated service platforms for mobile phone brands in the PRC. Subject to the execution of the Formal Agreement by the Vendors and the Company (or its nominee), Mr. Guo will procure HBZ to inject the HBZ Overseas Business into the Target Company.

The details and timetable of the proposed injection of HBZ Overseas Business into the Target Company will be determined between the Vendors and the Company and set out in the Formal Agreement.

Consideration

The Consideration and payment for the Proposed Acquisition will be determined after arm's length negotiations between the Vendors and the Company and will be set out in the Formal Agreement, subject to the results of the due diligence review to be conducted by the Company and the valuation of the Target Company.

The amount and method of payment of the Consideration once agreed between the parties to the MOU will be set out in the Formal Agreement.

Due diligence

Upon signing of the MOU, the Company shall have the right to commence a due diligence review on the financial condition, legal and other affairs of the Target Company, HBZ and HBZ Overseas Business.

Exclusivity

Pursuant to the MOU, the Vendors will not seek, solicit or negotiate with any third party regarding the investment or acquisition in HBZ Overseas Business during a period commencing on the date of the MOU and expiring on 31 December 2016 (or such other date as may be agreed in writing by the parties).

Legal effect

The MOU is not intended to be legally binding (save for the provisions relating to confidentiality, exclusivity, due diligence, termination, binding effect and governing law under the MOU) and, save as provided, no legal obligations or liabilities will be incurred by the Vendors and the Company unless and until the Formal Agreement has been executed.

Termination

If the Vendors and the Company (or its nominee) fail to enter into the Formal Agreement by 31 December 2016 or such later date as the Vendors and the Company may agree, the MOU shall be terminated without affecting any accrued rights and liabilities of any party to the MOU.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The principal activity of the Company is an investment holding company. The principal activities of its principal subsidiaries are developing, designing, production management and selling mobile telecommunication devices, sale of mobile telecommunication related components and accessories, provision of technical knowhow and other add-on service related to mobile telecommunication devices.

As mentioned in the interim results announcement of the Company for the six months ended 30 June 2016, the Group aims to enhance its four core competencies, namely product technology, distribution (online and offline) channels, branding and application services. The Group will be actively developing user-friendly smart devices and application services, and establishing a comprehensive, expandable service and integrated service platform in order to engage every business opportunity to become a leading mobile device maker and total service enterprise.

By investing in the Target Company, it is expected to benefit the Group's long term development, in particular, the development of integrated service platform for mobile phone brands in the PRC including product customisation, logistics, export and storage services, and expanding distribution channels for these products both online and offline. The Board considers that the Proposed Acquisition is a good potential investment for the Group and is in line with the Group's business plan. The Board further considers that the terms of the MOU are fair and reasonable and that the Proposed Acquisition is in the interest of the Company and the Shareholders as a whole.

GENERAL

The MOU is not intended to be legally binding (save for the provisions relating to confidentiality, exclusivity, due diligence, termination, binding effect and governing law under the MOU). If the Company proceeds with the Proposed Acquisition, it (or its nominee) will enter into legally binding agreement(s) with the Vendors in respect of the Proposed Acquisition.

The Proposed Acquisition may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the Shares. The Proposed Acquisition, if materialises, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Should (i) the Company (or its nominee) enter into the Formal Agreement; (ii) decide not to proceed with the transactions contemplated under the MOU or (iii) there be any material development on the Proposed Acquisition, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the Listing Rules as and when appropriate.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

"Board"	the board of the Directors
"Company"	Vital Mobile Holdings Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning as ascribed under the Listing Rules
"Consideration"	the consideration for the Proposed Acquisition
"Director(s)"	the director(s) of the Company
"Formal Agreement"	the formal sale and purchase agreement to be entered into between the Company (or its nominee) and the Vendors in respect of the Proposed Acquisition incorporating, among others, the terms of the MOU
"Group"	the Company and its subsidiaries
"HBZ"	深圳市匯百洲電子有限公司, a company incorporated in the PRC
"HBZ Overseas Business"	the business of the export and overseas sales of mobile phones currently operated by HBZ

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"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 memorandum of understanding dated 5 September 2016 entered into between the Company and the Vendors in relation to the Proposed Acquisition
"Mr. Guo"	Mr. Guo Jinwei
"PRC"	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)
"Proposed Acquisition"	the proposed acquisition by the Company of 51% of the total issued share capital of the Target Company
"Share(s)"	ordinary share(s) of HK$0.1 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Intercontinental Wireless Technologies Limited, a company incorporated in Hong Kong
"Vendors"	Mr. Guo and another individual (which expression shall include their respective nominees)
"%"	per cent

By order of the Board
Vital Mobile Holdings Limited
Rong Xiuli
Chairperson

Hong Kong, 5 September 2016

As at the date of this announcement, the Board of the Company comprises Ms. Rong Xiuli, Mr. Rong Shengli and Mr. Tang Shun Lam as executive Directors and Mr. Hon Kwok Ping Lawrence, Mr. Lam Yiu Kin and Mr. Tsang Yat Kiang as independent non-executive Directors.