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**O-NET TECHNOLOGIES (GROUP) LIMITED**

**昂納科技（集團）有限公司**

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

**(Stock Code: 877)**

**PLACING OF EXISTING SHARES  
AND  
TOP-UP SUBSCRIPTION OF NEW SHARES  
UNDER GENERAL MANDATE  
AND RESUMPTION OF TRADING**

**Placing Agents**

**Jefferies**



**中泰國際**  
ZHONGTAI INTERNATIONAL

**PLACING AND SUBSCRIPTION**

On 21 April 2017, the Company, the Vendors and the Placing Agents entered into the Placing and Subscription Agreement pursuant to which (i) the Placing Agents have agreed to act as agents for the Vendors to place, on a best efforts basis, and the First Vendor and the Second Vendor have agreed to sell, a total of up to 90,000,000 Placing Shares to not less than six Placees who and whose ultimate beneficial owners will be third parties independent of and not acting in concert (as defined under the Takeovers Code) with the Company and its associates and connected persons, at the Placing Price of HK\$5.25 per Placing Share; and (ii) each of the First Vendor and the Second Vendor has agreed to subscribe for up to 25,000,000 First Vendor Subscription Shares and 25,000,000 Second Vendor Subscription Shares respectively at the Subscription Price of HK\$5.25 per Subscription Share.

The obligations of the Placing Agents to procure the placing of the Placing Shares are several (and not joint or joint and several).

The 90,000,000 Placing Shares represent (i) approximately 12.08% of the existing issued share capital of the Company of 744,900,240 Shares as at the date of this announcement; and (ii) approximately 11.32% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as a result of the Subscription.

The 50,000,000 Subscription Shares represent (i) approximately 6.71% of the existing issued share capital of the Company of 744,900,240 Shares as at the date of this announcement; and (ii) approximately 6.29% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as a result of the Subscription.

The gross proceeds from the Subscription will be approximately HK\$262.5 million. The net proceeds from the Subscription (net of all expenses) will amount to approximately HK\$262.0 million, which is intended to be used for potential acquisition of company/companies which offer complementary chip techniques for further extension of the Company's upstream chip design capabilities in telecommunications and data-communications market as well as innovation high-end market such as light detection and ranging product (the "LiDAR") for advanced driving assistance system ("ADAS") market. The net price raised per Share upon the completion of the Placing will be approximately HK\$5.24 per Share.

**The Placing is unconditional.**

The Subscription is conditional upon, among others, (i) the Listing Committee granting the listing of, and permission to deal in, the Subscription Shares; and (ii) completion of the Placing.

**As the Subscription is conditional and may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

The Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM, subject to the limit of 147,376,248 Shares (representing 20% of the aggregate number of issued Shares of the Company in issue on that date). The 50,000,000 Subscription Shares to be allotted and issued will utilize approximately 33.93% of the General Mandate. As at the date of this announcement, the Company has not utilized any of the General Mandate. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Under Rule 14A.92(4) of the Listing Rules, if the Subscription is to be completed after 5 May 2017 (being 14 days after the date of the Placing and Subscription Agreement), it will constitute a connected transaction under the Listing Rules and the Company is required to comply with all the requirements in relation to connected transaction under the Listing Rules.

## **DISPENSATION FROM RULE 26 OF THE TAKEOVERS CODE**

The First Vendor is the controlling shareholder of the Company and the Second Vendor is a substantial shareholder of the Company. As each of them owns more than 20% of the voting rights of the Company, the Vendors are together deemed to be parties acting in concert under Rule 26 of the Takeovers Code.

The Vendors have confirmed that, as at the date of this announcement, the Vendors have collectively been holding more than 50% of the issued share capital and voting rights of the Company continuously for more than 12 months immediately preceding the Placing and Subscription Agreement. As a result of the Placing, the aggregate percentage shareholding of the Vendors (i.e. 439,967,620 Shares) will reduce from approximately 59.06% to approximately 46.98% (a decrease of approximately 12.08%) and as a result of the Subscription, their aggregate percentage shareholding will be increased from approximately 46.98% to approximately 50.31% (an increase of approximately 3.33%). Pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code, a waiver under Rule 26 of the Takeovers Code is not required where a shareholder, together with persons acting in concert with it have continuously held more than 50% of the voting rights of a company for at least 12 months immediately preceding the relevant placing and top-up transaction. Given that the Vendors, being parties acting in concert, have continuously held more than 50% of the voting rights of the Company for the past 12 months immediately preceding the Placing and the Subscription, a waiver under Rule 26 of the Takeovers Code is not required for the Subscription.

## **RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 21 April 2017 pending the publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 24 April 2017.

## **THE PLACING AND SUBSCRIPTION AGREEMENT**

### **Date**

21 April 2017

### **Parties involved**

- (1) the Company;
- (2) the Vendors; and
- (3) the Placing Agents.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agents and their respective ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

### **The Vendors**

- (1) The First Vendor is the controlling shareholder of the Company. As at the date of this announcement, the First Vendor is interested in 243,573,383 Shares, representing approximately 32.70% of the entire issued share capital of the Company; and
- (2) The Second Vendor is the substantial shareholder of the Company. As at the date of this announcement, the Second Vendor is interested in 196,394,237 Shares, representing approximately 26.36% of the entire issued share capital of the Company.

### **Placing**

The Placing Agents have agreed to act as agents to the Vendors to place, on a best efforts basis, the Placing Shares at the Placing Price.

Details of the Placing are set out below.

#### *Placee(s)*

The Placing Agents agreed to place the Placing Shares to not less than six Placees who and whose ultimate beneficial owners will be third parties independent of and not acting in concert (as defined under the Takeovers Code) with the Company and its associates and connected persons. It is not expected that any individual Placee will become a substantial shareholder of the Company immediately after the Placing. In the event any of the Placees becomes a substantial shareholder after completion of the Placing, further announcement will be made by the Company.

#### *Placing Shares*

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing and the Subscription, the 90,000,000 Placing Shares under the Placing represent (i) approximately 12.08% of the existing issued share capital of the Company of 744,900,240 Shares as at the date of this announcement; and (ii) approximately 11.32% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as a result of the Subscription. The aggregate nominal value of the 90,000,000 Placing Shares under the Placing is HK\$900,000.

### *Rights of Placing Shares*

The Placing Shares will be sold free from all pledges, liens, charges, mortgages, security interests, adverse claims and encumbrances, and together with all rights attaching to them as at the date of this announcement, including the right to receive all dividends declared, made or paid on or after the date of this announcement.

### *Placing Price*

The Placing Price represents:

- (i) a discount of approximately 15.59% to the closing price of HK\$6.22 as quoted on the Stock Exchange on the date of the Placing and Subscription Agreement; and
- (ii) a discount of approximately 11.74% to the average closing price of approximately HK\$5.948 in the last 5 trading days prior to the date of the Placing and Subscription Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis among the Vendors, the Company and the Placing Agents. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

### *Placing commission and expenses*

Each Placing Agent will receive a placing commission, in Hong Kong dollars, of 1%, of the product of "X" multiplied by "Y", where "X" is the excess of the Placing Price over the benchmark price of HK\$5.25 per Share; and "Y" equals the number of the relevant Placing Shares from the relevant Vendor placed/purchased by the relevant Placing Agent. The placing commission is arrived at after arm's length negotiation among the Vendors, the Placing Agents and the Company.

### *Termination*

The Placing Agents may terminate the Placing and Subscription Agreement without liability to the Vendors and the Company by notice in writing to the Vendors and the Company at any time on or before 8:30 a.m. on the Placing Completion Date if:

- A) there develops, occurs or comes into force:
  - (1) any new law or regulation or any change or development involving a prospective change in existing laws or regulations which in the sole judgement of the Placing Agents has or is likely to have a material adverse effect on the financial position of the Group as a whole; or

- (2) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the sole judgement of the Placing Agents is or would be materially adverse to the success of the Placing; or
  - (3) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or exchange controls which in the sole judgement of the Placing Agents is or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith; or
  - (4) a general moratorium on commercial banking activities in Hong Kong, London or New York declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the United Kingdom or the United States; or
  - (5) a change or development involving a prospective change in taxation of Hong Kong which in the sole judgement of the Placing Agents constitutes a material adverse effect on the Group as a whole, the Placing Shares and/or the transfer thereof; or
  - (6) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong, the United Kingdom or the United States or the declaration by the PRC, the United Kingdom or the United States of a national emergency or war; or
  - (7) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing); or
  - (8) any moratorium, suspension or material restriction (materiality to be determined in the sole judgement of the Placing Agents) on trading in shares or securities generally on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange or Nasdaq due to exceptional financial circumstances or otherwise at any time prior to the Placing Completion Date; or
- B) any breach of any of the representations, warranties and undertakings by the Company and/or the Vendors set out in the Placing and Subscription Agreement comes to the knowledge of the Placing Agents or any event occurs or any matter arises on or after the date of the Placing and Subscription Agreement and prior to the Placing Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations, warranties and undertakings untrue or incorrect in any respect or there has been a breach of, or failure to perform, any other provision of the Placing and Subscription Agreement on the part of the Vendors and/or the Company; or

C) there is any such adverse change, or development involving a prospective adverse change, in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Group as a whole which in the sole judgement of the Placing Agents is materially adverse to the success of the Placing; or

### *Completion of the Placing*

Completion of the Placing is unconditional but the Placing and Subscription Agreement is subject to the termination by the Placing Agents upon the occurrence of any of the events as stated above. The Placing is expected to be completed on the Placing Completion Date.

### **Subscription**

Details of the Subscription are set out below.

### *Subscription Shares*

Each of the First Vendor and the Second Vendor has conditionally agreed to subscribe for a total of up to 25,000,000 First Vendor Subscription Shares and 25,000,000 Second Vendor Subscription Shares respectively, representing, in aggregate, (i) approximately 6.71% of the existing issued share capital of the Company; and (ii) approximately 6.29% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as a result of the Subscription.

The aggregate nominal value of the maximum of 50,000,000 Subscription Shares under the Subscription is HK\$500,000.

### *Ranking of the Subscription Shares*

The Subscription Shares will rank, when fully paid, *pari passu* in all respects with the Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription.

### *Subscription Price*

The Subscription Price:

- (i) represents a discount of approximately 15.59% to the closing price of HK\$6.22 as quoted on the Stock Exchange on the date of the Placing and Subscription Agreement;
- (ii) represents a discount of approximately 11.74% to the average closing price of approximately HK\$5.948 in the last 5 trading days prior to the date of the Placing and Subscription Agreement;  
and
- (iii) is equal to the Placing Price.

The Subscription Price was arrived at after arm's length negotiations among the Vendors, the Company and the Placing Agents with reference to the prevailing market prices. The Directors consider that the Subscription Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

#### *Conditions of the Subscription*

The Subscription is conditional upon:

1. the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) or the deposit of the Subscription Shares into the relevant participant of the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited representing the Subscription Shares); and
2. completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement;
3. the obtaining by the Company of all other necessary consents, approvals, authorisations and/or waivers to effect the execution, completion and performance of the obligations and other terms of the Placing and Subscription Agreement (including but not limited to the issue and allotment of the Subscription Shares); and
4. if required, the granting of a waiver to the Vendors by the SFC from general offer obligations that might otherwise arise as a result of the Subscription.

If the above conditions are not fulfilled within 14 days after the date of the Placing and Subscription Agreement or such later date as may be agreed between the Company and the Vendors, the obligations and liabilities of the Vendors and the Company under the Subscription shall be null and void and neither the Company nor the Vendors shall have any claim against the other provided that the Company shall reimburse the Vendors any legal fees and out-of-pocket expenses which the Vendors shall be obliged to pay in connection with the Placing.

#### *Completion of the Subscription*

Completion of the Subscription will take place on the second Business Day following the fulfillment of all the conditions of the Subscription.

Under Rule 14A.92(4) of the Listing Rules, if the Subscription is to be completed after 5 May 2017 (being 14 days after the date of the Placing and Subscription Agreement), it will constitute a connected transaction under the Listing Rules and the Company is required to comply with all the requirements in relation to connected transaction under the Listing Rules.

The Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM, subject to the limit of 147,376,248 Shares (representing 20% of the aggregate number of issued Shares of the Company in issue on that date). The 50,000,000 Subscription Shares to be allotted and issued will utilize approximately 33.93% of the General Mandate. As at the date of this announcement, the Company has not utilized any of the General Mandate.

## **UNDERTAKINGS OF THE VENDORS AND THE COMPANY**

Pursuant to the Placing and Subscription Agreement, each of the Vendors undertakes to the Placing Agents that (except for the placing of the Placing Shares) for a period of 90 days from the Placing Completion Date, it will not and will procure that none of its nominees and companies controlled by it and trusts associated with it (whether individually or together, whether conditionally or unconditionally, and whether directly or indirectly) will:

- (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Subscription Shares) or any interests therein beneficially owned or held by the relevant Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (ii) announce any intention to dispose of, any Shares or any interest therein (including any interest in a company which, directly or indirectly, holds any such Shares or other securities of the Company) or any other securities of the Company which are of the same class as, or convertible or exchangeable for, or which carry a right to subscribe, purchase, acquire, or represent the right to receive, any such Shares; or
- (iii) enter into, or announce any intention to enter into, any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such Shares, in respect of which it is the beneficial owner (directly or indirectly) and/or which are registered in its name and/or whether such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise,

without first having obtained the prior written consent of the Placing Agents.

Pursuant to the Placing and Subscription Agreement, each of the Company and the Vendors undertakes to the Placing Agents to procure, that for a period of 90 days from the Placing Completion Date, the Company will not, except for the Subscription Shares and save pursuant to (1) the terms of any employee share option scheme and/or any share award scheme of the Company existing at the time of the Placing and Subscription Agreement or (2) any outstanding subscription

warrants or (3) any bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association or (4) conversion of outstanding convertible bonds or notes or (5) any agreement to issue shares entered into in connection with any transaction, which agreement has been announced prior to the date of this Agreement or (6) the issue of shares of the Company as consideration for acquisitions:

- (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares; or
- (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or
- (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above,

without first having obtained the written consent of the Placing Agents.

#### **DISPENSATION FROM RULE 26 OF THE TAKEOVERS CODE**

The First Vendor is the controlling shareholder of the Company and the Second Vendor is a substantial shareholder of the Company. As each of them owns more than 20% of the voting rights of the Company, the Vendors are together deemed to be parties acting in concert under Rule 26 of the Takeovers Code.

The Vendors have confirmed that, as at the date of this announcement, the Vendors have collectively been holding more than 50% of the issued share capital and voting rights of the Company continuously for more than 12 months immediately preceding the Placing and Subscription Agreement. As a result of the Placing, the aggregate percentage shareholding of the Vendors (i.e. 439,967,620 Shares) will reduce from approximately 59.06% to approximately 46.98% (a decrease of approximately 12.08%) and as a result of the Subscription, their aggregate percentage shareholding will be increased from approximately 46.98% to approximately 50.31% (an increase of approximately 3.33%). Pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code, a waiver under Rule 26 of the Takeovers Code is not required where a shareholder, together with persons acting in concert with it have continuously held more than 50% of the voting rights of a company for at least 12 months immediately preceding the relevant placing and top-up transaction. Given that the Vendors, being parties acting in concert, have continuously held more than 50% of the voting rights of the Company for the past 12 months immediately preceding the Placing and the Subscription, a waiver under Rule 26 of the Takeovers Code is not required for the Subscription.

## **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The Directors consider the Subscription represents an opportunity for the Company to raise capital while broadening its shareholder base as well as its capital base.

The aggregate gross and net proceeds from the Subscription will be approximately HK\$262.5 million and HK\$262.0 million, respectively. The Company intends to utilize the net proceeds from the Subscription for potential acquisition of company/companies which offer complementary chip techniques for further extension of the Company's upstream chip design capabilities in telecommunications and data communications market as well as innovation high end market such as light detection and ranging product (the "LiDAR") for advanced driving assistance system (the "ADAS") market. The net price raised per Share upon the completion of the Subscription will be approximately HK\$5.24 per Share.

The Directors consider that the terms and conditions of the Placing Subscription Agreement are fair and reasonable and are on normal commercial terms and the Placing and Subscription are in interest of the Company and the Shareholders as a whole.

**The Placing is unconditional. Completion of the Subscription is subject to the satisfaction of the conditions precedent in the Placing and Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activities for the twelve months immediately prior to the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing and the Subscription are set out as below:

	As at the date of this announcement		Immediately after the Placing but before the Subscription		Immediately after the Subscription	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
The First Vendor	243,573,383	32.70	203,573,383	27.33	228,573,383	28.75
The Second Vendor (Note)	196,394,237	26.36	146,394,237	19.65	171,394,237	21.56
Sub-total	439,967,620	59.06	349,967,620	46.98	399,967,620	50.31
Mr. Tam Man Chi	9,337,480	1.25	9,337,480	1.25	9,337,480	1.18
The Placees	-	-	90,000,000	12.08	90,000,000	11.32
Other public shareholders	295,595,140	39.68	295,595,140	39.68	295,595,140	37.19
<b>Total</b>	<b>744,900,240</b>	<b>100.00</b>	<b>744,900,240</b>	<b>100.00</b>	<b>794,900,240</b>	<b>100.00</b>

*Note: The Second Vendor is wholly-owned by Shenzhen Kaifa Technology Co., Ltd., which in turn is a subsidiary of Great Wall Technology Company.*

## GENERAL

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

## RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 21 April 2017 pending the publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 24 April 2017.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“AGM”	the annual general meeting of the Company held on 27 May 2016
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for securities dealings
“Company”	O-Net Technologies (Group) Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“First Vendor”	O-Net Holdings (BVI) Limited, a company incorporated in the British Virgin Islands and a controlling shareholder of the Company
“First Vendor Subscription Shares”	25,000,000 new Shares to be allotted and issued by the Company to the First Vendor pursuant to the Placing and Subscription Agreement
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then total number of issued Shares as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of PRC
“Jefferies”	Jefferies Hong Kong Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO

“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates (including the Placing Agents themselves) procured by the Placing Agents to purchase any of the Placing Shares pursuant to the Placing Agents’ obligations under the Placing and Subscription Agreement
“Placing”	the placing of the Placing Shares on the terms and subject to the conditions set out in the Placing and Subscription Agreement
“Placing Agents”	Jefferies and Zhongtai, collectively, each a “Placing Agent”
“Placing and Subscription Agreement”	the placing and subscription agreement entered into between the Company, the Vendors and the Placing Agents dated 21 April 2017 in relation to the Placing and the Subscription
“Placing Completion Date”	the third Business Day immediately after the date of the Placing and Subscription Agreement, or such other date agreed between the Company, the Vendors and the Placing Agents
“Placing Price”	HK\$5.25 per Placing Share
“Placing Shares”	a total of 90,000,000 existing Shares, all beneficially owned by the Vendors as at the date of this announcement, to be placed pursuant to the Placing and Subscription Agreement
“PRC”	The People’s Republic of China
“Second Vendor”	Kaifa Technology (H.K.) Limited, a company incorporated in Hong Kong and a substantial shareholder of the Company

“Second Vendor Subscription Shares”	25,000,000 new Shares to be allotted and issued by the Company to the Second Vendor pursuant to the Placing and Subscription Agreement
“SFC”	the Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of up to 25,000,000 First Vendor Subscription Shares and up to 25,000,000 Second Vendor Subscription Shares by the First Vendor and the Second Vendor respectively at the Subscription Price pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$5.25 per Subscription Share
“Subscription Shares”	collectively, the First Vendor Subscription Shares and the Second Vendor Subscription Shares
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Vendors”	collectively, the First Vendor and the Second Vendor
“Zhongtai”	Zhongtai International Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board  
**O-Net Technologies (Group) Limited**  
**Kung Sze Wai**  
*Company Secretary*

Hong Kong, 21 April 2017

*As at the date of this announcement, the executive Director is Mr. Na Qinglin, the non-executive Directors are Mr. Tam Man Chi, Mr. Chen Zhujiang and Mr. Huang Bin, and the independent non-executive Directors are Mr. Deng Xinping, Mr. Ong Chor Wei and Mr. Zhao Wei.*