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TECHNOVATOR INTERNATIONAL LIMITED

科諾威德國際有限公司

(incorporated in Singapore with limited liability)

(Stock Code: 1206)

CONNECTED TRANSACTION

DISCLOSEABLE TRANSACTION

SHARE PURCHASE AGREEMENT

THE SHARE PURCHASE AGREEMENT

The Board announces that on 26 September 2012, Distech Controls, a direct non-wholly-owned subsidiary of the Company, entered into the Share Purchase Agreement with Arcom, pursuant to which Distech Controls agreed to purchase the Repurchase Shares from Arcom for cancellation. The completion of the Repurchase is subject to the independent Shareholders' approval at the EGM. Upon completion of the Share Purchase Agreement, Arcom will cease to be a shareholder of Distech Controls and the Company's equity interest in Distech Controls will increase from 56.70% to 63.81% as a result of the Repurchase.

LISTING RULES IMPLICATIONS

As a certain applicable percentage ratio of the transaction under the Share Purchase Agreement is more than 5% but is less than 25%, the transaction under the Share Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

Immediately prior to the completion of the Repurchase, Arcom holds 11.15% of the equity interest in Distech Controls, one of the subsidiaries of the Company. Under the Listing Rules, as a substantial shareholder of Distech Controls, Arcom is a connected person of the Company. Accordingly, the transaction under the Share Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since a certain applicable percentage ratio of the transaction under the Share Repurchase Agreement exceeds 5%, and the consideration of the Share Purchase Agreement is more than HK\$10 million, the transaction contemplated under the Share Purchase Agreement is subject to the reporting, announcement and independent Shareholders' approval requirements set out in Rules 14A.45 to 14A.48.

The Company will hold the EGM to approve the transaction under the Share Purchase Agreement. A circular containing, among other things, further details of Share Purchase Agreement and a notice convening the EGM, will be despatched to the Shareholders on or before 23 October 2012.

THE SHARE PURCHASE AGREEMENT

- Date: 26 September 2012
- Parties: (1) the Vendor; and
(2) the Purchaser
- Subject matter: Subject to the terms and conditions under the Share Purchase Agreement, the Purchaser agreed to purchase the Repurchase Shares, the net assets value of which was approximately CAD\$2.22 million as at 31 August 2012, from the Vendor for cancellation, at a consideration of CAD\$5,762,505.55, which was determined by the Vendor and the Purchaser with reference to the formula provided in the USA based on the 12-month EBITDA of the Purchaser for the period ended 31 December 2011. The original acquisition costs for the Repurchase Shares of Arcom were approximately Euro 4 million, equal to part of the consideration paid by the Group to acquire Distech Controls S.A.S. and Acelia S.A.S., both of which are subsidiaries of the Group as at the date of this announcement, from Arcom to enable the Group's presence and market share in Europe. Please refer to the section headed "History and Corporate Structure" in the prospectus of the Company dated 17 October 2011 for details.
- Payment schedule: The price to be paid for the purchase of the Repurchase Shares is payable upon the execution of the Share Purchase Agreement.

EFFECTS OF THE REPURCHASE

The completion of the Repurchase is subject to the independent Shareholders' approval at the EGM. Upon completion of the Share Purchase Agreement, Arcom will cease to be a shareholder of Distech Controls and the Company's equity interest in Distech Controls will increase from 56.70% to 63.81% as a result of the Repurchase and cancellation of the Repurchase Shares. Distech Controls will continue to be a subsidiary of the Company following the Repurchase and its financial results will continue to be consolidated into the accounts of the Group.

It is expected that the Group will not record any profit or loss from the Repurchase, because the Repurchase will be recorded as an equity transaction in accordance with the accounting policy of the Group.

REASONS FOR AND BENEFITS OF THE SHARE PURCHASE AGREEMENT

The Share Repurchase Agreement was entered for the purpose of allowing Arcom to exit their investment. The Repurchase will allow the Company to increase its stake in Distech Controls.

The Directors are of the view that the terms and conditions of the Share Purchase Agreement are on normal commercial terms, which are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT ARCOM

Arcom is principally engaged in the business of the integration of communicating building management system which are used to control energy and comfort in commercial buildings.

INFORMATION ABOUT DISTECH CONTROLS

Distech Controls is principally engaged in the design, manufacturing, sales and marketing of energy management systems and integrated building automation systems.

For the two years ended 31 December 2010 and 2011, the unaudited net profits attributable to the Repurchase Shares, which are the subject of the transaction were as follows:

For the year ended 31 December 2010

Net profits (before tax): USD26,516

Net profits (after tax benefit): USD35,502

For the year ended 31 December 2011

Net profits (before tax): USD516,569

Net profits (after tax): USD390,143

INFORMATION ABOUT THE GROUP

The Group is principally engaged in the business of provision of building energy management and solution services.

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Immediately prior to the completion of the Repurchase, Arcom holds 11.15% of the equity interest in Distech Controls, one of the subsidiaries of the Company. Under the Listing Rules, as a substantial shareholder of Distech Controls, Arcom is a connected person of the Company. Accordingly, the transaction under the Share Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since a certain applicable percentage ratio of the transaction under the Share Repurchase Agreement exceeds 5%, and the consideration of the Share Purchase Agreement is more than HK\$10 million, the transaction contemplated under the Share Purchase Agreement is subject to the reporting, announcement and independent Shareholders' approval requirements set out in Rules 14A.45 to 14A.48.

The Company will hold the EGM to approve the transaction under the Share Purchase Agreement. A circular containing, among other things, further details of the Share Purchase Agreement and a notice convening the EGM, will be despatched to the Shareholders on or before 23 October 2012.

DEFINITIONS

“Arcom” or “Vendor”	Groupe Arcom, a company, which was incorporated under the laws of France on 24 February 2006 that held 11.15% of the equity interest in Distech Controls immediately prior to the completion of the Repurchase
“CAD\$”	Canadian dollars, the lawful currency of Canada
“Company”	Technovator International Limited, a limited liability company incorporated in Singapore on 25 May 2005 and the issued securities of which are listed on the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

“Director(s)”	the director(s) of the Company
“Distech Controls” or “Purchaser”	Distech Controls Contrôles Inc. (Distech Controls Controls Inc.), which is an operating subsidiary of the Company, was incorporated under the laws of Québec, Canada on 5 January 1995 and owned as to 56.70% by the Company immediately prior to the completion of the Repurchase
“EGM”	an extraordinary general meeting of Company to be convened to approve the transaction under the Share Repurchase Agreement
“Euro”	the lawful currency of European Union
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Repurchase”	the repurchase of the Repurchase Shares by Distech Controls from Arcom pursuant to the Share Purchase Agreement
“Repurchase Shares”	the 4,310,407 Class A common shares of the issued and outstanding shares of the capital of the Purchaser which were owned by the Vendor immediately prior to the completion of the Repurchase
“Shareholder(s)”	holder(s) of the ordinary share(s) in the capital of the Company
“Share Purchase Agreement”	a share purchase agreement entered into between the Vendor and the Purchaser dated 26 September 2012 for the purchase of the Repurchase Shares for cancellation
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in section 2 of the Companies Ordinance

“USA”	an addendum to the unanimous shareholders’ agreement dated 25 February 2010 entered into between the Company, Distech Controls, Étienne Veilleux, 9109-2759 Québec Inc. and Arcom to amend a unanimous shareholders’ agreement dated 28 May 2008 entered into between the Company, Distech Controls, Étienne Veilleux and 9109-2759 Québec Inc.
“USD”	United States dollars, the lawful currency of the United States
“%”	per cent.

By order of the Board of
Technovator International Limited
Lu Zhicheng
Chairman

Hong Kong, 2 October 2012

As at the date of this announcement, the executive directors of the Company are Mr. Zhao Xiaobo and Mr. Seah Han Leong; the non-executive directors of the Company are Mr. Lu Zhicheng, Dr. Li Jisheng, Mr. Liu Tianmin, Mr. Ng Koon Siong and Mr. Chow Dah-Jen; and the independent non-executive directors of the Company are Mr. Fan Ren Da Anthony, Mr. Chia Yew Boon and Ms. Chen Hua.