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## **TECHNOVATOR INTERNATIONAL LIMITED**

**同方泰德國際科技有限公司\***

*(incorporated in Singapore with limited liability)*

**(Stock Code: 1206)**

### **KARAMAY BT CONTRACT**

### **MAJOR TRANSACTION**

### **CONNECTED TRANSACTION**

#### **KARAMAY BT CONTRACT**

On 26 March 2013, Karamay Construction, Tongfang and Technovator Beijing entered into the Karamay BT Contract, pursuant to which Karamay Construction agreed to engage Tongfang as the contractor to carry out the Project (on the basis of “Build-Transfer” mode) with the finance and major equipment supply to be provided by Technovator Beijing. The Project will be transferred from Tongfang to Karamay Construction after completion, and Karamay Construction will then pay the Repurchase Price to Technovator Beijing by five instalments.

#### **LISTING RULES IMPLICATIONS**

Given that an applicable percentage ratio in respect of the provision of financing by Technovator Beijing under the Karamay BT Contract is 25% or more but less than 100%, the transaction under the Karamay BT Contract constitutes provision of financial assistance and a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the Shareholders’ approval in general meeting pursuant to Rule 14.40 of the Listing Rules.

As at the date of this announcement, Tongfang is a substantial shareholder of the Company, and therefore a connected person. Accordingly, the transaction under the Karamay BT Contract also constitutes provision of financial assistance and a connected transaction of the Company under Chapter 14A of the Listing Rules.

\* For identification purposes only

Since some applicable percentage ratios in respect of the provision of financing by Technovator Beijing under the Karamay BT Contract exceed 5%, and the consideration under the Karamay BT Contract is more than HK\$10 million, such provision of financing constitutes a non-exempt connected transaction of the Company and is subject to the reporting, announcement and independent Shareholders' approval requirements set out in Rules 14A.45 to 14A.48.

### **EGM**

The Company will hold the EGM to approve the transaction under the Karamay BT Contract. A circular containing, among other things, further details of Karamay BT Contract and a notice convening the EGM, will be despatched to the Shareholders on or before 19 April 2013.

## **KARAMAY BT CONTRACT**

**Date:** 26 March 2013

**Parties:**

- (1) Karamay Construction;
- (2) Tongfang; and
- (3) Technovator Beijing

**Subject matter:** Karamay Construction agreed to engage Tongfang as the contractor to carry out the Project (on the basis of "Build-Transfer" mode) with the finance and major equipment supply to be provided by Technovator Beijing. The Project will be transferred to Karamay Construction after completion, and Karamay Construction will then pay the Repurchase Price to Technovator Beijing in five instalments.

Karamay Construction is the promoter and has the ultimate ownership of the Project. It is mainly responsible for obtaining necessary governmental approval for the Project and paying the Repurchase Price after the completion of the Project.

Tongfang is the contractor of the Project and is mainly responsible for implementing all construction and engineering work for the Project.

Technovator Beijing is mainly responsible for provision of finance and major equipment supply during the construction period.

**Construction period:** Approximately 16 months from 30 August 2012

**Estimate total investment amount of the Project:**

The total investment costs financed by Technovator Beijing is approximately RMB180,000,000, which is determined by the parties through arm's length negotiation, taking into account the expected construction costs of the Project, other disbursements costs in respect of the Project and the total finance costs of the Project.

The total investment costs shall be financed by Technovator Beijing with its financial resources and deposited with the account for the Project during the construction period according to the progress of the Project.

**Repurchase Price:**

In consideration for transferring the rights of the Project from Tongfang to Karamay Construction, Karamay Construction shall pay the repurchase price to Technovator Beijing by five instalments.

The Repurchase Price shall be calculated as follows:

$$\text{Repurchase Price} = \text{base repurchase price} + \text{repurchase investment return}$$

The base repurchase price is equivalent to the estimated total investment amount of the Project, which is approximately RMB180 million.

The repurchase investment return is calculated as follows:

$$\text{Repurchase investment return} = \text{base repurchase price} \times \text{rate of return}$$

Pursuant to the Karamay BT Contract, the relevant rate of return for the purpose of calculating the repurchase investment return payable in each instalment shall be 140% of the then prevailing lending interest rate in respect of loans for the same term as quoted by the People's Bank of China.

**Repurchase Price payment period:**

After the completion of the Project, Tongfang shall transfer the operation rights of the Project to Karamay Construction and Karamay Construction shall pay the Repurchase Price to Technovator Beijing by the following instalments:

- (a) 20% of the base repurchase price plus the repurchase investment return determined at such time shall be paid by Karamay Construction within 15 business days after 12 months following 31 December 2013 or the Completion Date;
- (b) 20% of the base repurchase price plus the repurchase investment return determined at such time shall be paid by Karamay Construction within 15 business days after 24 months following 31 December 2013 or the Completion Date;
- (c) 20% of the base repurchase price plus the repurchase investment return determined at such time shall be paid by Karamay Construction within 15 business days after 36 months following 31 December 2013 or the Completion Date;
- (d) 20% of the base repurchase price plus the repurchase investment return determined at such time shall be paid by Karamay Construction within 15 business days after 48 months following 31 December 2013 or the Completion Date; and
- (e) 20% of the base repurchase price plus the repurchase investment return determined at such time shall be paid by Karamay Construction within 15 business days after 60 months following 31 December 2013 or the Completion Date.

The amount for each instalment is equal to the sum of one fifth of the base repurchase price and the applicable repurchase investment return calculated based on the prevailing rate of return as set out in the sub-paragraph “Repurchase Price” above.

For the purpose of the payment of the Repurchase Price, if the completion of the relevant unit architecture under the Project takes place prior to 31 December 2013, then the repurchase period for such unit architecture shall commence from 31 December 2013; if the completion of the relevant unit architecture happens after 31 December 2013, then the repurchase period shall commence from the actual Completion Date.

**Conditions precedent:**

The Karamay BT Contract shall become effective upon the fulfillment of the following conditions:

- (a) signing by the legal representatives or authorised person of the parties; and
- (b) in respect of Technovator Beijing's rights and obligations under the Karamay BT Contract, approval of the Karamay BT Contract and the transactions thereunder by the independent Shareholders at the EGM.

**REASONS FOR AND BENEFITS OF THE KARAMAY BT CONTRACT**

The terms of the Karamay BT Contract were reached based on arm's length negotiations. The entering into the transaction under the Karamay BT Contract is of great importance in respect of the implementation of the business strategy of the Group. Karamay is an important oil town in Xinjiang and undergoes a rapid development. The Karamay Government focuses on the energy-saving and emission reduction. The finance and equipment supply of the Project will be provided by Technovator Beijing. The Project comprise of the construction of building automation system for the culture and sports complex in Karamay, including core construction building automation control centre of the culture and sports complex etc. Technovator Beijing will supply all engery-saving products and equipments for the Project. Meanwhile, the return rate under the Karamay BT Contract is higher than the prevailing bank loans interest rate for the same period and so additional returns for the Group will be generated accordingly. The Project presents an milestone for the Group in engaging energy saving service in municipal public utilities in the region following the execution of "strategic cooperation agreement" by Technovator Beijing with 克拉瑪依市機關事務管理局 (Karamay Organization Affairs Management Bureau\*). It is believed that the execution of contract will present a new opportunity for development of building energy-saving industry in Karamay as well as more business opportunities to the Group there.

The Directors are of the view that the terms and conditions of the Karamay BT Contract 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 KARAMAY CONSTRUCTION**

Karamay Construction is principally engaged in the business of completing the investment and project management of relevant government construction projects and public construction projects.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Karamay Construction and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

## **INFORMATION ABOUT TONGFANG**

Tongfang is principally engaged in supplying different products and services for a wide range of industries including but not limited to, the information media, energy and environment industries. As at the date of this announcement, Tongfang is a substantial shareholder of the Company.

## **INFORMATION ABOUT THE GROUP**

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

## **LISTING RULES IMPLICATIONS**

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As at the date of this announcement, Tongfang is a substantial shareholder of the Company, and therefore a connected person. Accordingly, the transaction under the Karamay BT Contract also constitutes provision of financial assistance and a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since some applicable percentage ratios in respect of the provision of financing by Technovator Beijing under the Karamay BT Contract exceed 5%, and the consideration under the Karamay BT Contract is more than HK\$10 million, such provision of financing constitutes a non-exempt connected transaction of the Company and is subject to the reporting, announcement and independent Shareholders' approval requirements set out in Rules 14A.45 to 14A.48.

## **EGM**

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## DEFINITIONS

“Board”	the board of directors of the Company
“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
“Completion Date”	the date which the Project has been completed by Tongfang and after the quality and specification of the Project have been examined and accepted by Karamay Construction as meeting the relevant required standards
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of Company to be convened to approve the transaction under the Karamay BT Contract
“Group”	the Company and its subsidiaries (as defined in the Listing Rules) from time to time
“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
“Karamay BT Contract”	a construction contract in the business model of Build-Transfer dated 26 March 2013, entered into among Karamay Construction, Tongfang and Technovator Beijing
“Karamay Construction”	克拉瑪依市城投工程建設項目管理有限責任公司 (Karamay Construction Management Co., Ltd.*), a limited liability company established under the laws of PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Project”	the construction of architectural complex in downtown of Karamay covering a gross area of approximately 950,306 square meters for the purpose of culture, sports and entertainment and their intelligent systems engineering
“Repurchase Price”	the repurchase price of the Project to be paid by Karamay Construction to Technovator Beijing pursuant to the Karamay BT Contract
“Shareholder(s)”	holder(s) of the ordinary share(s) in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as defined in the Listing Rules
“Technovator Beijing”	同方泰德國際科技(北京)有限公司 (TongFang Technovator Int (Beijing) Co., Ltd*), a wholly foreign-owned enterprise established in the PRC on 7 August 2006 and a wholly-owned subsidiary of the Company, engages principally in the design, manufacturing and marketing of building automation solutions
“Tongfang”	同方股份有限公司 (Tsinghua Tongfang Co., Ltd*), formerly known as 清華同方股份有限公司 (Tsinghua Tongfang Company Limited*), a joint stock limited company incorporated in the PRC, whose shares are listed and traded on the Shanghai Stock Exchange (上海證券交易所), is engaged in supplying different products and services for a wide range of industries including but not limited to, the information media, energy and environment industries. As at the date of this announcement, it directly owned 32.98% of issued shares of the Company



“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*

Beijing, 26 March 2013

*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 and Mr. Ng Koon Siong; and the independent non-executive directors of the Company are Mr. Fan Ren Da Anthony, Mr. Chia Yew Boon and Ms. Chen Hua.*