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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)

- (1) MAJOR AND CONNECTED TRANSACTION;**
- (2) PROPOSED GRANT OF SPECIFIC MANDATE TO
ISSUE SHARES;**
- (3) APPLICATIONS FOR WHITWASH WAIVERS;**
- (4) CONTINUING CONNECTED TRANSACTIONS
AND**
- (5) RESUMPTION OF TRADING**

THE ACQUISITION

The Board is pleased to announce that on 17 April 2014, the Company has entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Purchaser conditionally agreed to acquire and the Vendors conditionally agreed to sell the Sale Shares, representing collectively the 100% equity interest in TFRH Investments and 100% equity interest in Excel Perfect, which in turn own 75% equity interest and 25% equity interest in the Target Company respectively. The Consideration is RMB380 million (equivalent to approximately HK\$478.4 million), which will be satisfied by the issue and allotment of the Consideration Shares, subject to and in accordance with the terms and conditions of the Sale and Purchase Agreement. The Consideration in the amount of RMB285 million (equivalent to approximately HK\$358.8 million) and RMB95 million (equivalent to approximately HK\$119.6 million) shall be paid to Resuccess and Valueworth respectively. The Target Company shall become an indirect wholly-owned subsidiary of the Company upon Completion.

* For identification purposes only

IMPLICATIONS OF THE ACQUISITION UNDER THE LISTING RULES

As one of the applicable percentage ratios for the Acquisition under Rule 14.07 of the Listing Rules is more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. As at the date of this announcement, one of the Vendors, Resuccess, is a substantial shareholder of the Company and an indirect wholly-owned subsidiary of the Controlling Shareholder, which indirectly owns 75% of the equity interest in the Target Company. Therefore, Resuccess is a connected person of the Company under Rule 14A.11 of the Listing Rules. In addition, Mr. Fan, a non-executive Director, together with the Management Team, has the right to request the transfer to them of 100% of the equity interest in Team Thrive pursuant to a series of arrangements among the registered holder of the entire equity interest in Team Thrive, the Management Team led by Mr. Fan and other parties. As such, Team Thrive and Valueworth shall be regarded as associates of Mr. Fan and therefore connected persons of the Company under Rule 14A.11 of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements.

IMPLICATIONS OF THE ACQUISITION UNDER THE TAKEOVERS CODES AND APPLICATIONS FOR WHITEWASH WAIVERS

As at the date of this announcement, the Controlling Shareholder and the Controlling Shareholder Concert Parties hold 172 million Shares, representing approximately 32.98% of the equity interest in the Company. Upon Completion, 89,706,142 Consideration Shares will be issued to Resuccess, being a substantial shareholder of the Company and an indirect wholly-owned subsidiary of the Controlling Shareholder, and 29,902,047 Consideration Shares will be issued to Valueworth, a party acting in concert with the Controlling Shareholder. Upon Completion, the interest in the Company to be held by the Controlling Shareholder and the Controlling Shareholder Concert Parties will increase from approximately 32.98% to approximately 45.48%. Accordingly, the Controlling Shareholder and the Controlling Shareholder Concert Parties, in the absence of the HK Whitewash Waiver, would be obliged to make a mandatory general offer under Rule 26 of the HK Takeovers Code, and in the absence of the Singapore Whitewash Waiver or, as the case may be, the Singapore Code Waiver, would be obliged to make a mandatory general offer under Rule 14 of the Singapore Takeovers Code, for all the issued Shares and other equity securities of the Company not already owned or agreed to be acquired by them as a result of the issue and allotment of the Consideration Shares.

An application to the Executive for the HK Whitewash Waiver will be made pursuant to Note 1 on dispensations from Rule 26 of the HK Takeovers Code. The HK Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (i) the approval of the Independent Shareholders at the EGM by way of poll and (ii) that the Controlling Shareholder and the Controlling Shareholder Concert Parties will not acquire or dispose of any voting rights in the Company between the date of this announcement and Completion unless with the prior consent of the Executive.

An application to the SIC for the Singapore Code Waiver will be made. However, if the Singapore Code Waiver is not granted by the SIC, the Company will seek the Singapore Whitewash Waiver from the SIC pursuant to Note 1 of the Notes on dispensations from Rule 14 of the Singapore Takeovers Code. The Singapore Whitewash Waiver, if granted by the SIC, would be subject to, among other things, (i) the approval of the Independent Shareholders at the EGM by way of poll and (ii) that the Controlling Shareholder and the Controlling Shareholder Concert Parties will not acquire any voting rights in the Company between the date of this announcement and the date the approval of the Independent Shareholders is obtained for the Singapore Whitewash Waiver.

The Controlling Shareholder, the Controlling Shareholder Concert Parties and those Shareholders who are involved in or interested in the Acquisition and the Whitewash Waiver(s) shall abstain from voting at the EGM in respect of the resolution(s) approving the HK Whitewash Waiver and (if applicable) the Singapore Whitewash Waiver. It is a condition precedent to completion of the Acquisition that the HK Whitewash Waiver is granted by the Executive and either the Singapore Code Waiver or the Singapore Whitewash Waiver is granted by the SIC.

Save for the entering into of the Sale and Purchase Agreement, the Controlling Shareholder and the Controlling Shareholder Concert Parties confirm that they have not acquired any voting rights in the Company or dealt with any Shares or options to subscribe for Shares or other Relevant Securities in the six-month-period before the announcement of the Company dated 17 April 2014 (being the date of the Sale and Purchase Agreement) and up to and including the date of this announcement.

The Executive may or may not grant the HK Whitewash Waiver and the SIC may or may not grant the Singapore Code Waiver or the Singapore Whitewash Waiver. The HK Whitewash Waiver and the Singapore Code Waiver/Singapore Whitewash Waiver are conditions precedent to Completion. In the event that the HK Whitewash Waiver is not granted by the Executive or is not approved by the Independent Shareholders, or either the Singapore Code Waiver or the Singapore Whitewash Waiver is not granted by the SIC or, if applicable, the Singapore Whitewash Waiver is not approved by the Independent Shareholders, the Sale and Purchase Agreement will lapse and the Acquisition will not proceed.

PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE SHARES

The Company will seek the grant of a specific mandate from the Independent Shareholders to issue and allot new Shares to satisfy the issue and allotment of the Consideration Shares.

CONTINUING CONNECTED TRANSACTIONS

Financial assistances provided by the Controlling Shareholder and its associates (other than the Group)

Tongfang Artificial used to provide loans to the Target Company in support of its needs of working capital before the Acquisition. As of 31 December 2013, the total outstanding amount of the loans received by the Target Company from Tongfang Artificial was approximately RMB92.5 million. The Target Company and Tongfang Artificial entered into a loan agreement on 17 April 2014, pursuant to which all outstanding amount of loans received by the Target Company from Tongfang Artificial as of the date of Completion shall be repaid in full within one year following the date of Completion. Further, the Controlling Shareholder has also provided guarantees in respect of certain bank loans of the Target Company, with the aggregate guaranteed amount of approximately RMB100.9 million as at 31 December 2013.

Given that the aforementioned financial assistances are provided by the Controlling Shareholder (or its associates other than the Group) for the benefit of the Target Company on normal commercial terms (or better to the Target Company) where no security over the assets of Enlarged Group is granted in respect of the financial assistances, such financial assistances are exempt from the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Procurement Agreement

The Target Group used to purchase heat pumps, cooling systems and other related products from Tongfang Kawasaki before the Acquisition. It will continue to purchase such equipment and products, including heat pumps, cooling systems and other products, equipment and systems and services relating to the Group's business, from the Controlling Shareholder and its associates (other than the Group) including Tongfang Kawasaki. To regulate the aforementioned continuing connected transactions between the Target Group and the Controlling Shareholder (and its associates other than the Group), the Target Company and the Controlling Shareholder entered into the Procurement Agreement on 21 April 2014 .

The Controlling Shareholder is a connected person of the Company under the Listing Rules and thus the aforementioned transactions between Controlling Shareholder and its associates (other than the Group) and the Target Company upon the Completion will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios for the proposed Annual Caps in respect of the Procurement Agreement for the years ending 31 December 2014, 2015 and 2016 exceed 5% on an annual basis, the transactions contemplated under the Procurement Agreement are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The EGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things, the Acquisition, the Specific Mandate, the HK Whitewash Waiver, the Procurement Agreement (and the proposed Annual Caps) and, if applicable, the Singapore Whitewash Waiver. The Controlling Shareholder, the Controlling Shareholder Concert Parties and those Shareholders who are involved in or interested in the Acquisition and the Whitewash Waiver(s), will abstain from voting on the resolutions to approve the HK Whitewash Waiver and, if applicable, the Singapore Whitewash Waiver at the EGM. The Controlling Shareholder, its associates and other Shareholders who have a material interest in the Acquisition, the Specific Mandate and the Procurement Agreement will abstain from voting on the resolution(s) to approve the Acquisition, the Specific Mandate and the Procurement Agreement (and the proposed Annual Caps) at the EGM.

The Connected Transactions IBC has been established in compliance with the Listing Rules, to consider the terms of the Acquisition, the Specific Mandate and the Procurement Agreement (and the proposed Annual Caps) and advise the Independent Shareholders as to whether the terms of the Acquisition, the Specific Mandate and the Procurement Agreement (and the proposed Annual Caps) are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interest of the Company and the Shareholders as a whole and to give its recommendation as to the voting in respect of the resolutions to be proposed at the EGM for approving the Acquisition, the Specific Mandate and the Procurement Agreement (and the proposed Annual Caps), after taking into account the recommendation of the Independent Financial Adviser. In this connection, the Independent Financial Adviser has been appointed to advise the Connected Transactions IBC and the Independent Shareholders in the same regard, and such appointment has been approved by the Connected Transactions IBC.

The Whitewash Waiver IBC has been established in compliance with Rule 2.8 of the HK Takeovers Code, to consider the terms of the HK Whitewash Waiver, and advise the Independent Shareholders as to whether the terms of the HK Whitewash Waiver are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to give its recommendation as to the voting in respect of the resolution to be proposed at the EGM for approving the HK Whitewash Waiver, after taking into account the recommendation of the Independent Financial Adviser. In this connection, the Independent Financial Adviser has been appointed to advise the Whitewash Waiver IBC and the Independent Shareholders in the same regard, and such appointment has been approved by the Whitewash Waiver IBC.

If the Singapore Code Waiver is not obtained and the SIC grants the Singapore Whitewash Waiver, the Company will be required to appoint the Singapore Independent Financial Adviser to advise the Independent Directors and the Independent Shareholders on the Singapore Whitewash Waiver.

A circular containing, among other things, (i) details of the Acquisition; (ii) a letter of recommendation from the Connected Transactions IBC to the Independent Shareholders in respect of the Acquisition, the Specific Mandate and the Procurement Agreement (and the proposed Annual Caps) ; (iii) a letter of recommendation from the Whitewash Waiver IBC to the Independent Shareholders in respect of the Whitewash Waiver(s); (iv) a letter of advice from the Independent Financial Adviser to the Connected Transactions IBC, the Whitewash Waiver IBC and the Independent Shareholders in respect of the Acquisition, the Specific Mandate, the Procurement Agreement (and the proposed Annual Caps) and the HK Whitewash Waiver; (v) (if required) a letter of advice from the Singapore Independent Financial Adviser to the Independent Directors in respect of the Singapore Whitewash Waiver; (vi) a notice convening the EGM; and (vii) other information as required under the Listing Rules and the Takeovers Code will be dispatched to the Shareholders as soon as practicable. It is expected that the circular will be dispatched on or before 14 May 2014.

RESUMPTION OF TRADING

At the request of the Company, trading of the Shares on the Stock Exchange was suspended from 9:00 a.m. on 22 April 2014 pending the release of this announcement. The Company has made an application to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 1:00 p.m. on 30 April 2014.

As Completion is subject to the satisfaction (or waiver, where applicable) of the conditions precedent under the Sale and Purchase Agreement, the Acquisition may or may not be completed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

THE ACQUISITION

The principal terms of the Sale and Purchase Agreement are as follows:

Date: 17 April 2014

Parties: (i) Vendors:

- (a) Resuccess, being the holder of 100% of the equity interest in TFRH Investments; and
- (b) Valuworth, being the holder of 100% of the equity interest in Excel Perfect

(ii) Purchaser: the Company

Resuccess is a substantial shareholder of the Company and an indirect wholly-owned subsidiary of the Controlling Shareholder. Resuccess is a connected person of the Company under Chapter 14A of the Listing Rules.

Valuworth is owned as to 12%, 80% and 8% of its equity interest by Fortune Continent, Team Thrive and OP Financial respectively. Fortune Continent is wholly-owned by Ms. Tso Lap. To the best of the Directors' knowledge, Ms. Tso Lap, Fortune Continent and OP Financial are third parties independent of and not connected with the Company or any of its connected persons. Mr. Fan, a non-executive Director, together with the Management Team, has the right to request the transfer to them of 100% of the equity interest in Team Thrive pursuant to a series of arrangements among the registered holder of the entire equity interest in Team Thrive, the Management Team led by Mr. Fan and other parties. As such, Team Thrive and Valuworth shall be regarded as associates of Mr. Fan and therefore connected persons of the Company under Chapter 14A of the Listing Rules.

Acquisition target: The Sale Shares (being the shares of TFRH Investments representing 100% of the equity interest in TFRH Investments, together with the share of Excel Perfect representing 100% of the equity interest in Excel Perfect. TFRH Investments and Excel Perfect in turn own 75% and 25% of the equity interest in Target Company respectively).

Consideration: RMB380 million (equivalent to approximately HK\$478.4 million) which was arrived at after arm's length negotiations between the parties taking into consideration of a preliminary valuation of the Target Company prepared by the Valuer. The Consideration in the amount of RMB285 million (equivalent to approximately HK\$358.8 million) and RMB95 million (equivalent to approximately HK\$119.6 million) shall be paid to Resuccess and Valuworth respectively. The consideration shall be satisfied by the issue and allotment of a total of 119,608,189 Consideration Shares, out of which 89,706,142 Consideration Shares will be issued and allotted to Resuccess and 29,902,647 Consideration Shares will be issued and allotted to Valuworth, credited as fully paid up (the issue price being HK\$4 per Consideration Share).

The valuation report on the Target Company will be disclosed in the circular to be despatched by the Company to the Shareholders in connection with (among others) the Acquisition.

Consideration Shares: The Consideration Shares represent (i) approximately 22.9% of the existing issued share capital of the Company; and (ii) approximately 18.7% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

Ranking: The Consideration Shares shall rank pari passu with all other Shares in issue as at the date of the allotment and shall be entitled to all dividends, other distributions, interests and entitlements.

Issue Price:

The issue price of the Consideration Shares of HK\$4 per Consideration Share represents:

- (i) a discount of approximately 12.3% and 13.0% to the respective Volume Weighted Average Price and the closing price of HK\$4.56 and HK\$4.60 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 10.3% and 11.1% to the respective Volume Weighted Average Price and Simple Average Price of HK\$4.46 and HK\$4.50 per Share for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 10.5% and 11.5% to the respective Volume Weighted Average Price and Simple Average Price of HK\$4.47 and HK\$4.52 per Share for the last fifteen consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 9.9% and 10.9% to the respective Volume Weighted Average Price and Simple Average Price prices of HK\$4.44 and HK\$4.49 per Share for the last thirty consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 4.8% and 8.0% to the respective Volume Weighted Average Price and Simple Average Price of HK\$4.20 and HK\$4.35 per Share for the last forty consecutive trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 1.5% and 2.4% to the respective Volume Weighted Average Price and Simple Average Price of HK\$4.06 and HK\$4.10 per Share for the last fifty consecutive trading days up to and including the Last Trading Day;
- (vii) a premium of approximately 0.5% and 2.0% to the respective Volume Weighted Average Price and Simple Average Price of HK\$3.98 and HK\$3.92 per Share for the last sixty consecutive trading days up to and including the Last Trading Day; and
- (viii) a premium of approximately 177.8% over the net asset value per Share attributable to Shareholders of approximately HK\$1.44 as at 31 December 2013.

The issue price of the Consideration Shares was arrived at after arm's length negotiations among the Purchaser and the Vendors.

Conditions precedent: Completion shall be subject to, amongst others, the following conditions precedent:

- (i) the passing of a resolution by the Independent Shareholders at the EGM approving (a) the Acquisition; (b) the Specific Mandate; and (c) the Procurement Agreement ;
- (ii) the passing of resolution(s) by the Independent Shareholders at the EGM approving the HK Whitewash Waiver and if applicable, the Singapore Whitewash Waiver;
- (iii) the Stock Exchange having approved the listing of, and granted the permission to deal in, the Consideration Shares and such approval not having been revoked or amended;
- (iv) the Executive having granted and not having withdrawn, or revoked such grant, of the HK Whitewash Waiver and the fulfillment of all conditions if any, attached to it;
- (v) the grant by the SIC of either (a) the Singapore Whitewash Waiver or (b) the Singapore Code Waiver (on conditions, if any, reasonably acceptable to the Purchaser and to the extent that any such conditions are required to be fulfilled on or before the Completion Date, they are so fulfilled) and such Singapore Whitewash Waiver or, as the case may be, the Singapore Code Waiver not having been withdrawn or revoked;
- (vi) the Purchaser notifying the Vendors in writing that it is satisfied in reliance on the warranties as to:
 - (a) the respective financial, contractual, tax and trading positions and prospects of the each member of the Target Group; and
 - (b) the title of the members of the Target Group to their respective assets;
- (vii) the Vendors having complied fully with their obligations specified in the Sale and Purchase Agreement and otherwise having performed in all material respects all of the covenants and agreements required to be performed by them under the Sale and Purchase Agreement;
- (viii) there having been no material adverse change since the date of the Sale and Purchase Agreement;

- (ix) the valuation of the Target Company as appraised by the Valuer as of 31 March 2014 and to be stated in the valuation report shall be not less than RMB380 million;
- (x) all other necessary consents from third parties (including governmental or official or regulatory authorities) and all other necessary consents and approvals required pursuant to any legal or regulatory requirements in respect of the sale and purchase of the Sale Shares having been obtained; and
- (xi) no statute, regulation or decision which would prohibit, restrict or materially delay the execution, delivery or performance of the transaction documents, the consummation of the transactions contemplated by the Sale and Purchase Agreement or the operation of the members of the Target Group after Completion having been proposed, enacted or taken by any governmental or official authority whether in Hong Kong, the PRC, the BVI, the Cayman Islands or elsewhere.

Save for the conditions precedent set out in paragraphs (vi), (vii) and/or (viii) above that can be waived by the Purchaser in its absolute discretion, none of the conditions precedent can be waived. In the event that any of the conditions precedent shall not have been fulfilled or waived by 30 September 2014 (or such other date as may be agreed between the Purchaser and the Vendors), the Purchaser shall not be bound to proceed with the purchase of the Sale Shares, and the Sale and Purchase Agreement shall cease to be of any effect save in respect of claims arising from any antecedent breaches of the Sale and Purchase Agreement.

Completion:

Completion shall take place on such date as may be agreed in writing between the Purchaser and the Vendors following written notification by the Purchaser to the Vendors of the fulfilment (or waiver) to the satisfaction of the Purchaser of the conditions precedent, and in any event within 10 Business Days after the date of actual fulfilment (or waiver) of the conditions precedent to the satisfaction of the Purchaser.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial results of the Company.

Application for listing:

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares to be issued and allotted pursuant to the Sale and Purchase Agreement.

Governing law:

Hong Kong law

EFFECT OF THE ACQUISITION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Name of shareholders	As at the date of this announcement		After the issue and allotment of the Consideration Shares upon Completion (assuming that no additional Shares are issued and no outstanding options in respect of the Shares are exercised before Completion)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
The Controlling Shareholder and the Controlling Shareholder Concert Parties				
The Controlling Shareholder (Note 1)	92,000,000	17.64%	92,000,000	14.35%
Resuccess (Note 1)	80,000,000	15.34%	169,706,142	26.47%
Valuworth (Note 2)	0	0.00%	29,902,047	4.66%
Sub-total of shareholding interests owned by the Controlling Shareholder and the Controlling Shareholder Concert Parties	172,000,000	32.98%	291,608,189	45.48%
Other Shareholders				
Zana China Fund L.P.	65,436,320	12.55%	65,436,320	10.21%
Mr. Seah Han Leong (Note 3)	18,120,000	3.47%	18,120,000	2.83%
Mr. Zhao Xiaobo (Note 3)	5,120,000	0.98%	5,120,000	0.80%
Public shareholders	260,843,680	50.02%	260,843,680	40.68%
Total	521,520,000	100.00%	641,128,189	100.00%

Note 1: Resuccess is a substantial shareholder of the Company and an indirect wholly-owned subsidiary of the Controlling Shareholder and a party acting in concert with the Controlling Shareholder under the HK Takeovers Code and the Singapore Takeovers Code. To the best of the Directors' knowledge, save for the Controlling Shareholder and Resuccess, there are no other associates of the Controlling Shareholder who are shareholders of the Company.

Note 2: Valuworth is regarded as a party acting in concert with the Controlling Shareholder under the HK Takeovers Code and the Singapore Takeovers Code.

Note 3: Mr. Seah Han Leung and Mr. Zhao Xiaobo are executive Directors.

Interests in Options in respect of the Securities of the Company held by the Controlling Shareholder Concert Parties

Oriental Patron Securities Limited, an associate of OP Financial, holds options to subscribe for an aggregate of 1,800,000 Shares as of the date of this announcement. Oriental Patron Asia Limited, an associate of OP Financial, also rendered services in connection with the Acquisition. OP Financial provided financial assistance in connection with the Acquisition. Accordingly, OP Financial and its associates are regarded as parties presumed acting in concert with the Controlling Shareholder.

Mr. Lu holds options to subscribe for an aggregate of 8,800,000 Shares as of the date of this announcement. Such options are not yet vested as of the date of this announcement. Mr. Lu, being a director of the Controlling Shareholder, is a party presumed acting in concert with the Controlling Shareholder.

INFORMATION ABOUT THE TARGET GROUP

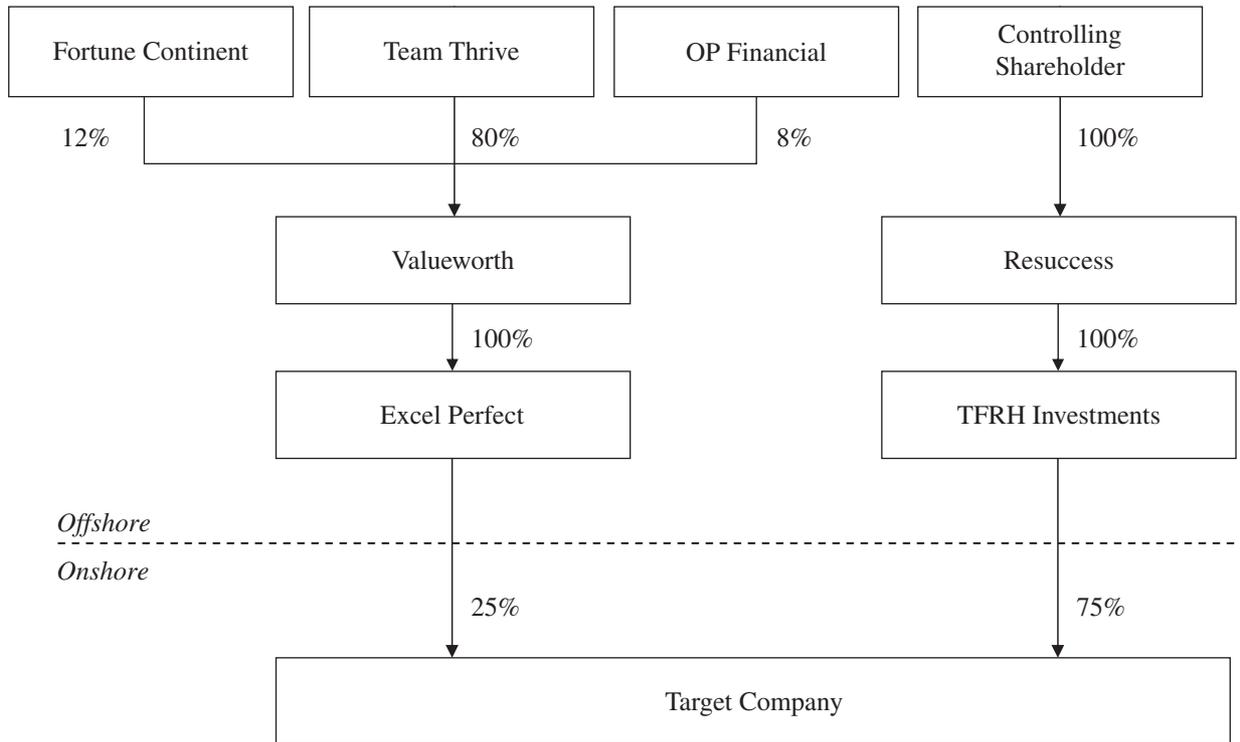
The Target Company is a wholly foreign-owned enterprise with limited liability which was established in the PRC and is owned as to 75% and 25% of its equity interest by TFRH Investments and Excel Perfect respectively. Together with its subsidiaries, the Target Company is principally engaged in the energy management solution market with the main business models of Energy Management Contract (EMC) and Engineering, Procurement & Construction (EPC) respectively.

Excel Perfect is a company established in Hong Kong with limited liability and its principal business is investment holding.

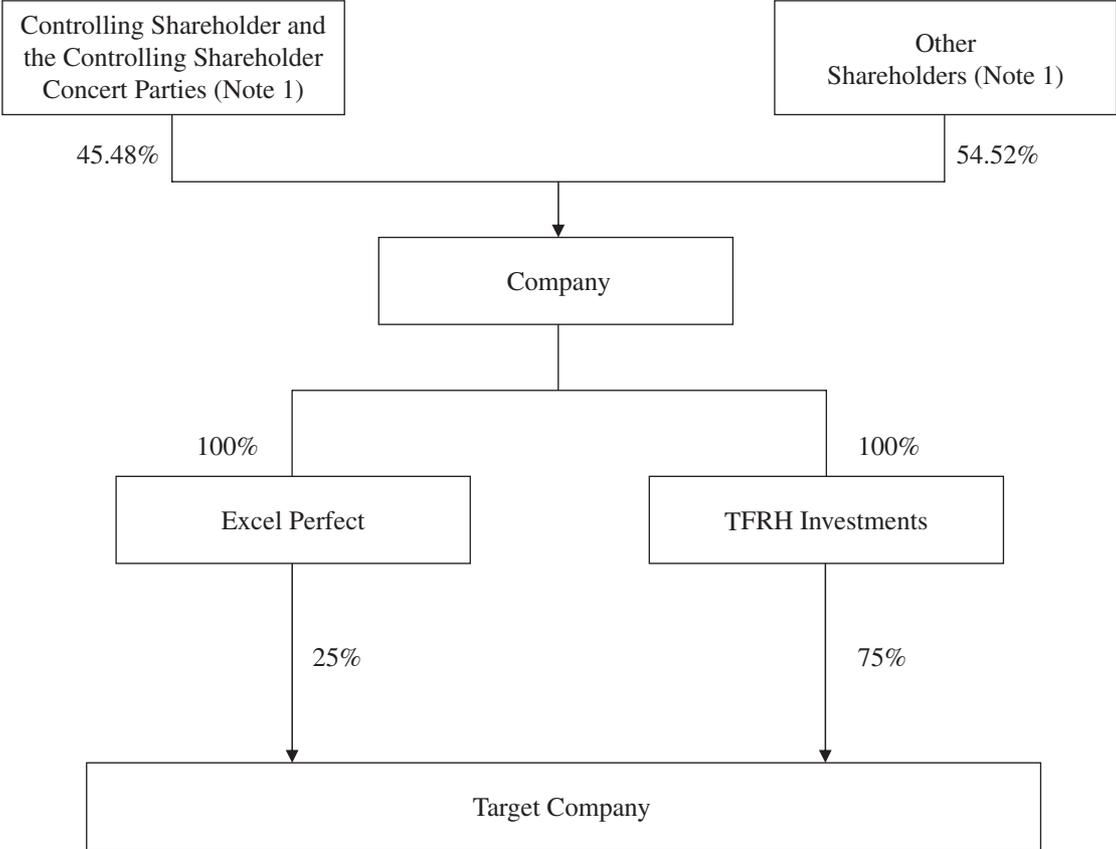
TFRH Investments is a company established in the Cayman Islands with limited liability and its principal business is investment holding.

Structure of the Target Group before and after Completion

As at the date of this announcement and immediately before Completion:



Immediately after Completion (i.e. after the Consideration Shares are issued, and assuming that no additional Shares are issued and no outstanding options in respect of the Shares are exercised before Completion):



Note 1: Approximately 40.68% of equity interest in the Company will be held by the public shareholders upon Completion.

Waiver sought from the Stock Exchange

Pursuant to Rules 14.58(6) and 14.58(7) of the Listing Rules, the Company is required to disclose (i) the asset value of, as well as the net profits or loss (for the previous two financial years) of the Target Company (the “**Required Financial Information**”). In connection with these requirements, application has been made by the Company to the Stock Exchange for a waiver from the disclosure of the unaudited Required Financial Information in this announcement, as such unaudited Required Financial Information would constitute profit forecasts within the meaning of Rule 10 of the HK Takeovers Code and would need to be examined and reported on by the auditor and the financial adviser of the Company prior to its release. The application for waiver has been made on the grounds that (i) it would be unduly burdensome and costly for the Company to have to perform the additional procedures on the Required Financial Information for the purpose of disclosure in this announcement; and (ii) it would not be in the interest of the general public investors and the Shareholders to withhold the release of this announcement until the Required Financial Information has been examined and reported on by the auditor and the financial adviser of the Company, especially given that the audited Required Financial Information will be ready and disclosed in the circular to be dispatched to Shareholders shortly after the publication of this announcement. The Company has submitted to the Stock Exchange that the grant of such waiver would not result in undue risks to the Shareholders and be repugnant to the general principles under Rule 2.03 of the Listing Rules.

The Directors confirmed that the information contained in this announcement remains accurate and complete in all material respects and not misleading notwithstanding that the Required Financial Information has not been disclosed in this announcement. The Required Financial Information will be contained in the Circular and announced by the Company by way of a separate announcement when the Circular is dispatched.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is principally engaged in, among others, the design, manufacturing and distribution of energy management systems (EMS) and provision of solutions services.

The EMS business in the PRC alone represents approximately 34.09% of the total profit of the Company for the year ended 31 December 2013. The EMS segment in the PRC recorded a 61.21% and 67.77% year-on-year increase in terms of generated profit and revenue for the year ended 31 December 2013, which outperformed other business segments of the company and was the key driver to the Company’s profit and revenue growth. Besides, according to the theme of the 12th Five-Year Plan, the PRC encourages energy consumption efficiency.

In view of the performance of the EMS business and the support it gains from the PRC government, the Directors consider that it is beneficial for the Company to seek suitable investment opportunities from time to time to seize the growing potential of the EMS market and enhance the Company’s position in this particular segment.

The Directors are of the view that the Acquisition would allow the Company to utilize the capacity and technique of the Target Company, allowing the Company to expand and meet the mounting demand in the energy management solution market. In particular, the Company can benefit from the Target Company’s experienced know-how of the absorption heat pump system technique, which is employed extensively in the industrial energy-saving heating

business. In addition, the Company can benefit from the Target Company's experienced know-how of the energy-storage and energy-saving cooling system, which can strengthen the competitive advantage in respect of the energy-saving architecture.

Having considered the abovementioned reasons and benefits, the Directors (excluding the independent non-executive Directors who will express their view in the letter of Connected Transactions IBC) are of the view that the Acquisition offers the Company a good opportunity to develop its business and enhance its income stream in the energy management solution market and are of the opinion that the Acquisition and the terms of the Sale and Purchase Agreement, which have been agreed after arm's length negotiations between the Purchaser and the Vendors, are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATION OF THE ACQUISITION UNDER THE LISTING RULES

As one of the applicable percentage ratios for the Acquisition under Rule 14.07 of the Listing Rules is more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, one of the Vendors, Resuccess, is a substantial shareholder of the Company and an indirect wholly-owned subsidiary of the Controlling Shareholder, which indirectly owns 75% of the equity interest in the Target Company. Therefore, Resuccess is a connected person of the Company under Rule 14A.11 of the Listing Rules. In addition, Mr. Fan, a non-executive Director, together with the Management Team, has the right to request the transfer to them of 100% of the equity interest in Team Thrive pursuant to a series of arrangements among the registered holder of the entire equity interest in Team Thrive, the Management Team led by Mr. Fan and other parties. As such, Team Thrive and Valueworth shall be regarded as associates of Mr. Fan and therefore connected persons of the Company under Rule 14A.11 of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements.

IMPLICATIONS OF THE ACQUISITION UNDER THE TAKEOVERS CODES AND APPLICATIONS FOR WHITEWASH WAIVERS

As at the date of this announcement, the Controlling Shareholder and the Controlling Shareholder Concert Parties hold 172,000,000 Shares, representing approximately 32.98% of the equity interest in the Company. Upon Completion, 89,706,142 Consideration Shares will be issued to Resuccess, a substantial shareholder of the Company and an indirect wholly-owned subsidiary of the Controlling Shareholder, and 29,902,047 Consideration Shares will be issued to Valueworth, a party acting in concert with the Controlling Shareholder. Upon Completion, the interest in the Company to be held by the Controlling Shareholder and the Controlling Shareholder Concert Parties will increase from approximately 32.98% to approximately 45.48%. Accordingly, the Controlling Shareholder and the Controlling Shareholder Concert Parties, in the absence of the HK Whitewash Waiver, would be obliged to make a mandatory general offer under Rule 26 of the HK Takeovers Code, and in the absence of the Singapore Whitewash Waiver or, as the case may be, the Singapore Code Waiver, would be obliged to make a mandatory general offer under Rule 14

of the Singapore Takeovers Code, for all the issued Shares and other equity securities of the Company not already owned or agreed to be acquired by them as a result of the issue and allotment of the Consideration Shares.

An application to the Executive for the HK Whitewash Waiver will be made pursuant to Note 1 on dispensations from Rule 26 of the HK Takeovers Code. The HK Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (i) the approval of the Independent Shareholders at the EGM by way of poll and (ii) that the Controlling Shareholder and the Controlling Shareholder Concert Parties will not acquire or dispose of any voting rights in the Company between the date of this announcement and Completion unless with the prior consent of the Executive.

An application to the SIC for the Singapore Code Waiver will be made. However, if the Singapore Code Waiver is not granted by the SIC, the Company will seek the Singapore Whitewash Waiver from the SIC pursuant to Note 1 of the Notes on dispensations from Rule 14 of the Singapore Takeovers Code. The Singapore Whitewash Waiver, if granted by the SIC, would be subject to, among other things, (i) the approval of the Independent Shareholders at the EGM by way of poll and (ii) that the Controlling Shareholder and the Controlling Shareholder Concert Parties will not acquire any voting rights in the Company between the date of this announcement and the date the approval of the Independent Shareholders is obtained for the Singapore Whitewash Waiver.

The Controlling Shareholder and the Controlling Shareholder Concert Parties and those who are involved in or interested in the Acquisition and the Whitewash Waiver(s) shall abstain from voting at the EGM in respect of the resolution(s) approving the Acquisition and the HK Whitewash Waiver and (if applicable) the Singapore Whitewash Waiver. It is a condition precedent to completion of the Acquisition that the HK Whitewash Waiver is granted by the Executive and either the Singapore Code Waiver or the Singapore Whitewash Waiver is granted by the SIC.

Save for the entering into of the Sale and Purchase Agreement, the Controlling Shareholder and the Controlling Shareholder Concert Parties confirm that they have not acquired any voting rights in the Company or dealt with any Shares or options to subscribe for Shares or other Relevant Securities in the six-month-period before the announcement of the Company dated 17 April 2014 (being the date of the Sale and Purchase Agreement) and up to and including the date of this announcement.

As at the date of this announcement, other than the approximately 32.98% interest in the existing issued share capital of the Company and the options to subscribe for an aggregate of 10,600,000 Shares owned by the Controlling Shareholder and the Controlling Shareholder Concert Parties (the details of which are set out under the section headed "EFFECT OF THE ACQUISITION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY" of this announcement) and all transactions contemplated under the Acquisition and as disclosed in this announcement:

- (i) there is no arrangement referred to in Note 8 to Rule 22 of the HK Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of the Controlling Shareholder and which might be material to the Acquisition and/or the Whitewash Waiver(s);

- (ii) there is no agreement or arrangement to which the Controlling Shareholder is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Acquisition and/or the Whitewash Waiver(s);
- (iii) neither the Controlling Shareholder nor any Controlling Shareholder Concert Party has received an irrevocable commitment or arrangements to vote in favor of or against the resolutions to be proposed at the EGM in respect of the Acquisition and/or the Whitewash Waiver(s);
- (iv) there are no Shares or options to subscribe for Shares or other Relevant Securities in the Company which the Controlling Shareholder and the Controlling Shareholder Concert Parties have borrowed or lent; and
- (v) Save as disclosed herein, neither the Controlling Shareholder nor any Controlling Shareholder Concert Party holds, owns, controls or directs any shares, convertible securities, warrants, options or derivatives in respect of the securities in the Company.

The Executive may or may not grant the HK Whitewash Waiver and the SIC may or may not grant the Singapore Code Waiver or the Singapore Whitewash Waiver. The HK Whitewash Waiver and the Singapore Code Waiver/Singapore Whitewash Waiver are conditions precedent to Completion. In the event that the HK Whitewash Waiver is not granted by the Executive or is not approved by the Independent Shareholders, or either the Singapore Code Waiver or the Singapore Whitewash Waiver is not granted by the SIC or, if applicable, the Singapore Whitewash Waiver is not approved by the Independent Shareholders, the Sale and Purchase Agreement will lapse and the Acquisition will not proceed.

PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE SHARES

The Company will seek the grant of a specific mandate from the Independent Shareholders to issue and allot new Shares to satisfy the issue and allotment of the Consideration Shares.

CONTINUING CONNECTED TRANSACTIONS

Upon Completion, members of the Target Group will become indirect wholly-owned subsidiaries of the Company. Therefore, any continuing transactions between the Target Group and the Controlling Shareholder (and its associates other than the Group) following Completion will become continuing connected transactions of the Group under the Listing Rules. There are certain pre-existing continuing transactions between the Target Group and the Controlling Shareholder (and its associates other than the Group).

To regulate the continuing connected transactions between the Target Group and the Controlling Shareholder (and its associates other than the Group), the Group has entered into the following connected transaction agreements with the Controlling Shareholder.

Financial assistances provided by the Controlling Shareholder and its associates (other than the Group)

Tongfang Artificial used to provide loans to the Target Company in support of its needs of working capital before the Acquisition. As of 31 December 2013, the total outstanding amount of the loans received by the Target Company from Tongfang Artificial was approximately RMB92.5 million. It is proposed that, following Completion, Tongfang Artificial will no longer provide further loans to the Target Company. The Target Company and Tongfang Artificial entered into a loan agreement on 17 April 2014, pursuant to which all outstanding amount of loans received by the Target Company from Tongfang Artificial as of the date of Completion shall be repaid in full within one year following the date of Completion. The interest rate shall be the base interest rate promulgated by the People's Bank of China and the interest shall start to accrue on the date immediately following the date of Completion. Such loan agreement shall become effective on the date of Completion.

Further, the Controlling Shareholder has also provided guarantees in respect of certain bank loans of the Target Company. The aggregate guaranteed amount was approximately RMB100.9 million as at 31 December 2013.

The aforementioned financial assistances are provided by the Controlling Shareholder (or its associates other than the Group) for the benefit of the Target Company on normal commercial terms (or better to the Target Company) where no security over the assets of the Enlarged Group is granted in respect of such financial assistances. As such, they are exempt from the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, Tongfang Artificial is not a shareholder of the Company.

The Procurement Agreement

The Target Group used to purchase heat pumps, cooling systems and other related products from Tongfang Kawasaki before the Acquisition. It will continue to purchase such equipment and products, including heat pumps, cooling systems and other products, equipment and systems and services relating to the Group's business, from the Controlling Shareholder (and its associates other than the Group) including Tongfang Kawasaki. To regulate the aforementioned continuing connected transactions between the Target Group and the Controlling Shareholder (and its associates other than the Group), the Target Company and the Controlling Shareholder entered into the Procurement Agreement on 21 April 2014.

To the best of Directors' knowledge, apart from the Controlling Shareholder and Resuccess, there are no other associates of the Controlling Shareholder who are shareholders of the Company.

The principal terms of the Procurement Agreement are set out below:

Date: 21 April 2014

Parties the Target Company; and

The Controlling Shareholder

Term: Three years from 1 January 2014 to 31 December 2016.

Products to be procured: The Controlling Shareholder (and its associates other than the Group) agree to sell, and the Target Company and other members of the Group agree to purchase, heat pumps, cooling systems and other products, equipment and systems and services relating to the Group's business of energy management, environmental protection and energy saving.

Consideration and Payment: The price of such products supplied by the Controlling Shareholder (and its associates other than the Group) to the Group will be determined based on normal and commercial terms after arm's length negotiations, with reference to the prevailing market price of similar products at the time of a particular transaction, and in any event no less favourable to the Group than those offered by independent third party suppliers to the Group.

As an active market participant, the Group will, through market research and interactions with other market participants, obtain sufficient market intelligence to enable them to ascertain the prevailing market rate, payment terms and practices as well as the latest market and independent third party supplier information at any point in time. The Company will also continue to take steps to keep themselves abreast of market developments through maintaining a team of experienced procurement personnel focusing on different regions and cities throughout the PRC.

The market rate of the products is to be ascertained based on the prevailing market price of the products determined based on:

- (a) the price of similar products used in projects of similar scale and nature offered by independent third party suppliers and accepted by the Group (the "**Comparable Purchase Transactions**") during a period of 12 months prior to the relevant transaction with the Controlling Shareholder and its associates (other than the Group) (the "**12-Month Purchase Period**") (if any), including but not limited to the most recent relevant transactions accepted by the Group and independent third party suppliers; and

- (b) if there are no Comparable Purchase Transactions within the 12-Month Purchase Period, the price of similar products used in similar scale and nature of products offered by independent third party suppliers and accepted by the Group any time prior to the 12-Month Purchase Period including but not limited to the most recent relevant transactions accepted by the Group and independent third party suppliers, if any, and taking into account the latest market and independent third party supplier information obtained, through market research and interactions with other market participants, by the Group at the time of the relevant transaction with the Controlling Shareholder (and its associates other than the Group).

The detailed payment terms for purchase of the products will be set out in separate purchase contracts which shall be on normal commercial terms and in compliance with the principles set out in the Procurement Agreement.

When determining the payment terms, the Group will make reference to prevailing market practices determined based on:

- (a) the terms for projects of similar scale and nature offered by independent third party suppliers and accepted by the Group during the 12-Month Purchase Period prior to the relevant transaction with the Controlling Shareholder (and its associates other than the Group) (if any), including but not limited to the most recent relevant transactions accepted by the Group and independent third party suppliers; and
- (b) if there are no Comparable Purchase Transactions within the 12-Month Purchase Period, the terms of similar products used in similar scale and nature of products offered by independent third party suppliers and accepted by the Group any time prior to the 12-Month Purchase Period, including but not limited to the most recent relevant transactions accepted by the Group and independent third party suppliers, if any, and taking into account the latest market and independent third party supplier information obtained, through market research and interactions with other market participants, by the Group at the time of the relevant transaction with the Controlling Shareholder (and its associates other than the Group).

In any event, the payment terms should be no less favorable to the Group than those offered by independent third party suppliers to the Group.

Effectiveness: The Procurement Agreement will become effective on the date of Completion, provided that the Company has obtained all approvals and resolutions as required under the Listing Rules.

Proposed annual caps

The proposed Annual Caps and the basis of determination of the proposed Annual Caps are set out below:

	Caps for the year ending		
	31 December		
	2014	2015	2016
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Proposed Annual Caps for 2014 to 2016	150 million	185 million	230 million

The proposed Annual Caps were determined based on (a) the Target Group's historical transaction amounts of the purchase from the Controlling Shareholder (and its associates other than the Group) of RMB88.1 million and RMB68.0 million during the two financial years ended 31 December 2013 respectively; and (b) the Target Group's forecasted purchase amounts in heat pumps for the three years ended 2014 to 2016. The growth rates were determined after considering the growth trend of the energy management business, taking into account the business development plans and favorable policy introduced on the energy management industry by the PRC government.

The Directors, excluding the independent non-executive Directors who will express their view in the letter of Connected Transactions IBC, consider that the Procurement Agreement (together with the proposed Annual Caps) was entered into on normal commercial terms, in the ordinary and usual course of business of the Group, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reasons and benefits for the Procurement Agreement

Tongfang Kawasaki has been providing equipment such as heat pumps and cooling systems to the Target Group before the Acquisition. The Controlling Shareholder and its associates (other than the Group), including Tongfang Kawasaki, have been important suppliers and have also proven to be reliable suppliers to the Group at competitive prices which is important to the operations and business of the Group. The Group has benefited from working with Controlling Shareholder (and its associates other than the Group). Given the mutual beneficial relationship between the Group and Controlling Shareholder (and its associates other than the Group) and that the Target Group has historically purchased from Controlling Shareholder (and its associates other than the Group) products, equipment and services in its ordinary and usual course of business, the Company considers that the Procurement Agreement is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Implication of the Procurement Agreement under the Listing Rules

The Controlling Shareholder is a connected person of the Company under the Listing Rules and thus the aforementioned transactions between the Controlling Shareholder (and its associates other than the Group) and the Target Company upon Completion will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios for the proposed Annual Caps in respect of the Procurement Agreement for the years ending 31 December 2014, 2015 and 2016 exceed 5% on an annual basis, the transactions contemplated under the Procurement Agreement are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE VENDORS AND THE CONTROLLING SHAREHOLDER

The Vendors

Resuccess Investments Limited is a company incorporated in the BVI on 30 March 2004 and its principal business is investment holding. It is indirectly wholly-owned by the Controlling Shareholder.

Valuworth is a company incorporated in the BVI and its principal business is investment holding. It is owned as to 12%, 80% and 8% of its equity interest by Fortune Continent, Team Thrive and OP Financial. Fortune Continent is wholly-owned by Ms. Tso Lap. To the best of the Directors' knowledge, Ms. Tso Lap, Fortune Continent and OP Financial are third parties independent of and not connected with the Company or any of its connected persons. Mr. Fan, a non-executive Director, together with the Management Team, has the right to request the transfer to them of 100% of the equity interest in Team Thrive pursuant to a series of arrangements among Ms. Tso Lap (being the registered holder of the entire equity interest in Team Thrive), the Management Team led by Mr. Fan and other parties. As such, Team Thrive and Valuworth shall be regarded as associates of Mr. Fan and therefore connected persons of the Company under Chapter 14A of the Listing Rules.

The Controlling Shareholder

The Controlling Shareholder, 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.

INFORMATION ABOUT THE GROUP

The Company is incorporated in Singapore with limited liability and its shares are listed on the main board of the Stock Exchange. As at date of this announcement, the Group is principally engaged in the design, manufacturing and distribution of EMS and provision of solutions services.

NO FUND RAISING ACTIVITIES FOR THE PAST 12 MONTHS

The Company did not conduct any equity fund raising activities in the past 12 months immediately before the date of this announcement.

GENERAL

The EGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things, the Acquisition, the Specific Mandate, the HK Whitewash Waiver, the Procurement Agreement (and the proposed Annual Caps) and, if applicable, the Singapore Whitewash Waiver. The Controlling Shareholder, Controlling Shareholder Concert Parties and those Shareholders who are involved in or interested in the Acquisition and the Whitewash Waiver(s), will abstain from voting on the resolutions to approve the HK Whitewash Waiver and, if applicable, the Singapore Whitewash Waiver at the EGM. The Controlling Shareholder, its associates and other Shareholders who have a material interest in the Acquisition, the Specific Mandate and the Procurement Agreement will abstain from voting on the resolution(s) to approve the Acquisition, the Specific Mandate, and the Procurement Agreement (and the proposed Annual Caps) at the EGM.

The Connected Transactions IBC has been established in compliance with the Listing Rules, to consider the terms of the Acquisition, the Specific Mandate and the Procurement Agreement (and the proposed Annual Caps) and advise the Independent Shareholders as to whether the terms of the Acquisition, the Specific Mandate and the Procurement Agreement (and the proposed Annual Caps) are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and the Shareholders as a whole and to give its recommendation as to the voting in respect of the resolutions to be proposed at the EGM for approving the Acquisition, the Specific Mandate and the Procurement Agreement (and the proposed Annual Caps), after taking into account the recommendation of the Independent Financial Adviser. In this connection, the Independent Financial Adviser has been appointed to advise the Connected Transactions IBC and the Independent Shareholders in the same regard, and such appointment has been approved by the Connected Transactions IBC.

The Whitewash Waiver IBC has been established in compliance with Rule 2.8 of the HK Takeovers Code, to consider the terms of the HK Whitewash Waiver, and advise the Independent Shareholders as to whether the terms of the HK Whitewash Waiver are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to give its recommendation as to the voting in respect of the resolution to be proposed at the EGM for approving the HK Whitewash Waiver, after taking into account the recommendation of the Independent Financial Adviser. In this connection, the Independent Financial Adviser has been appointed to advise the Whitewash Waiver IBC and the Independent Shareholders in the same regard, and such appointment has been approved by the Whitewash Waiver IBC.

If the Singapore Code Waiver is not obtained and the SIC grants the Singapore Whitewash Waiver, the Company will be required to appoint the Singapore Independent Financial Adviser to advise the Independent Directors and the Independent Shareholders on the Singapore Whitewash Waiver.

A circular containing, among other things, (i) details of the Acquisition; (ii) a letter of recommendation from the Connected Transactions IBC to the Independent Shareholders in respect of the Acquisition, the Specific Mandate and the Procurement Agreement (and the proposed Annual Caps) ; (iii) a letter of recommendation from the Whitewash Waiver IBC to the Independent Shareholders in respect of the Whitewash Waiver(s); (iv) a letter of advice from the Independent Financial Adviser to the Connected Transactions IBC, the Whitewash Waiver IBC and the Independent Shareholders in respect of the Acquisition, the Specific

Mandate, the Procurement Agreement (and the proposed Annual Caps) and the HK Whitewash Waiver; (v) (if required) a letter of advice from the Singapore Independent Financial Adviser to the Independent Directors in respect of the Singapore Whitewash Waiver; (vi) a notice convening the EGM; and (vii) other information as required under the Listing Rules and the Takeovers Code will be dispatched to the Shareholders as soon as practicable. It is expected that the circular will be dispatched on or before 14 May 2014.

As Completion is subject to the satisfaction (or waiver, where applicable) of the conditions precedent under the Sale and Purchase Agreement, the Acquisition may or may not be completed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading of the Shares on the Stock Exchange was suspended from 9:00 a.m. on 22 April 2014 pending the release of this announcement. The Company has made an application to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 1:00 p.m. on 30 April 2014.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares from the Vendors by the Purchaser pursuant to the Sale and Purchase Agreement, and the transactions contemplated thereunder
“acting in concert”	has the same meaning as defined in the HK Takeovers Code or, as the case may be, the Singapore Takeovers Code
“Annual Caps”	proposed annual caps for the continuing connected transactions contemplated under the Procurement Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day other than a Saturday or Sunday on which banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	the British Virgin Islands
“Chairman”	the chairman of the Board

“Company”	Technovator International Limited, a company incorporated in Singapore with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Connected Transactions IBC”	an independent board committee, comprising all the independent non-executive Directors, namely Mr. Fan Ren Da Anthony, Mr. Chia Yew Boon and Ms. Chen Hua, established to advise the Independent Shareholders as to whether the terms of the Acquisition, the Specific Mandate and the Procurement Agreement are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interest of the Company and the Shareholders as a whole and to give its recommendation as to voting in respect of the Acquisition, the Specific Mandate and the Procurement Agreement (and the Proposed Annual Caps)
“Consideration”	the aggregate consideration of RMB380 million (equivalent to approximately HK\$478.4 million) payable by the Company to the Vendors pursuant to the Sale and Purchase Agreement, which will be satisfied by the issue and allotment of the Consideration Shares
“Consideration Shares”	an aggregate of 119,608,189 Shares, comprising 89,706,142 and 29,902,047 Shares to be issued and allotted by the Company to Resuccess and Valueworth respectively as payment of the Consideration
“Controlling Shareholder”	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)

Controlling Shareholder Concert Parties	parties acting in concert or parties presumed acting in concert with the Controlling Shareholder within the definition under the HK Takeovers Code or the Singapore Takeovers Code (as the case may be), including Resuccess, Valueworth, OP Financial, Mr. Lu and their respective associates, the details of whose holding of interest in the Company as at the date of this announcement are set out under the section headed “EFFECT OF THE ACQUISITION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY”
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Acquisition, the Procurement Agreement (and the proposed Annual Caps), the HK Whitewash Waiver, the Singapore Whitewash Waiver (if applicable), and the Specific Mandate
“Enlarged Group”	the Group as enlarged by the Acquisition
“Excel Perfect”	Excel Perfect Investments Limited, an investment holding company incorporated in Hong Kong with limited liability
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“Fortune Continent”	Fortune Continent Investments Limited, an investment holding company incorporated in the BVI with limited liability
“Group”	the Company and its subsidiaries (as defined in the Listing Rules) from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“HK Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the HK Takeovers Code in respect of the obligation of the Controlling Shareholder to make a mandatory general offer for all the Shares that are not already owned or agreed to be acquired by the Controlling Shareholder and parties acting in concert with it, as a result of the Company issuing and allotting the Consideration Shares to the Controlling Shareholder
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Directors”	Directors who are independent of the Controlling Shareholder, any of the Vendors and their concert parties and who are deemed to be independent for the purpose of making a recommendation on the resolution to approve the Singapore Whitewash Waiver, if applicable
“Independent Financial Adviser”	Quam Capital Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which has been appointed as the independent financial adviser to advise the Connected Transactions IBC and the Independent Shareholders in relation to the terms of the Acquisition, the Specific Mandate and the Procurement Agreement (and the proposed Annual Caps), as well as the Whitewash Waiver IBC and the Independent Shareholders in relation to the terms of the HK Whitewash Waiver.
“Independent Shareholders”	<p>(i) as regards the Acquisition, the Specific Mandate and the Procurement Agreement, the Shareholders other than the Controlling Shareholder, Resuccess, their respective associates, Valuworth and other Shareholders who have a material interest in the Acquisition, the Specific Mandate and the Procurement Agreement; or</p> <p>(ii) as regards the HK Whitewash Waiver or, as the case may be, the Singapore Whitewash Waiver, the Shareholders other than the Controlling Shareholder, Resuccess, Valuworth, the Controlling Shareholder Concert Parties and other Shareholders who are interested or involved in the Acquisition, the HK Whitewash Waiver and/or the Singapore Whitewash Waiver</p>

“Last Trading Day”	17 April 2014, being the last trading date immediately prior to the date on which the Shares were suspended from trading on the Stock Exchange pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Management Team”	a group of persons, mainly consisting of certain members of the management team of the Target Company, led by Mr. Fan
“Mr. Fan”	Mr. Fan Xin, the non-executive Director, the chairman of the Target Company and the president of the Controlling Shareholder
“Mr. Lu”	Mr. Lu Zhicheng, the Chairman, is a director of the Controlling Shareholder and a party acting in concert with the Controlling Shareholder
“OP Financial”	OP Financial Investments Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Procurement Agreement”	the agreement entered into between the Target Company and the Controlling Shareholder on 21 April 2014 (the details of which, including the Annual Caps are set out under the Section headed “CONTINUING CONNECTED TRANSACTIONS” of this announcement)
“Purchaser”	the Company
“Relevant Securities”	has the meaning given to it under Note 4 to Rule 22 of the HK Takeovers Code
“Resuccess”	Resuccess Investments Limited, an investment holding company incorporated in the BVI and a substantial shareholder of the Company and an indirect wholly-owned subsidiary of the Controlling Shareholder
“RMB”	Renminbi, the lawful currency of the PRC

“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 17 April 2014 entered into between the Purchaser and the Vendors in relation to the sale and purchase of the Sale Shares
“Sale Shares”	collectively, the shares of TFHR Investments and Excel Perfect representing 100% interest of TFRH Investments and 100% interest of Excel Perfect respectively, which in turn own 75% and 25% of equity interest in the Target Company respectively
“Share(s)”	ordinary shares in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SIC”	the Securities Industry Council of Singapore
“Simple Average Price”	the average of the closing prices over a certain time period
“Singapore”	the Republic of Singapore
“Singapore Code Waiver”	a waiver from the SIC in respect of the application of the Singapore Takeovers Code to the Company
“Singapore Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Directors and the Independent Shareholders on the Singapore Whitewash Waiver, if required
“Singapore Takeovers Code”	the Singapore Code on Takeovers and Mergers
“Singapore Whitewash Waiver”	a waiver from the SIC pursuant to Note 1 of the Notes on dispensations from Rule 14 of the Singapore Takeovers Code in respect of the obligation on the part of the Controlling Shareholder, the Vendors and their concert parties to make a mandatory general offer for all the Shares that are not already owned or agreed to be acquired by them, as a result of the Company issuing and allotting the Consideration Shares to the Vendors
“Specific Mandate”	the specific mandate to be granted by the Independent Shareholders at the EGM to issue and allot new ordinary shares of the Purchaser to satisfy the issue and allotment of Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules

“Takeovers Codes”	the HK Takeovers Code and the Singapore Takeovers Code
“Target Company”	同方節能工程技術有限公司 (Tongfang Energy Saving Engineering Technology Co., Ltd.*), a wholly foreign-owned enterprise established in the PRC with limited liability, owned as to 75% and 25% of its equity interest by TFRH Investments and Excel Perfect, respectively.
“Target Group”	TFRH Investments, Excel Perfect, Target Company and its subsidiaries
“Team Thrive”	Team Thrive Investments Limited, an investment holding company incorporated in the BVI with limited liability
“TFRH Investments”	TFRH Investments Limited, an investment holding company incorporated in the Cayman Islands with limited liability
“Tongfang Artificial”	清華同方人工環境有限公司 (Tsinghua Tongfang Artificial Environment Co., Ltd*), a company established in the PRC with limited liability and is owned as to 97% of its equity interest by the Controlling Shareholder. To the best of the Directors’ knowledge, Tongfang Artificial is not a shareholder of the Company
“Tongfang Kawasaki”	同方川崎節能設備有限公司 (Tongfang Kawasaki Energy Saving Equipment Company Limited*), a limited liability company incorporated in the PRC and owned as to 50% by Tongfang Artificial and 50% by Kawasaki Thermal Engineering Co., Ltd. (日本川重冷熱工業株式會社) as of the date of this announcement
“Valuer”	Beijing Zhuoxindahua Appraisal Co., Ltd* (北京卓信大華資產評估有限公司), an independent professional valuer
“Valuworth”	Valuworth Ventures Limited, an investment holding company incorporated in the BVI and is owned as to 12%, 80% and 8% of its equity interest by Fortune Continent, Team Thrive and OP Financial respectively
“Vendors”	Resuccess (being the vendor of 100% of the equity interest in TFRH Investments) and Valuworth (being the vendor of 100% of the equity interest in Excel Perfect)
“Volume Weighted Average Price”	the average price calculated by multiplying the trading volume at each price level by the respective price and dividing by the trading volume over a certain time period

“Whitewash Waiver(s)”	the HK Whitewash Waiver and if applicable, the Singapore Whitewash Waiver
“Whitewash Waiver IBC”	an independent board committee, comprising all the non-executive Directors and independent non-executive Directors (other than Mr. Lu and Mr. Fan who are interested in the Acquisition and the Whitewash Waiver(s)), namely Mr. Liu Tianmin, Mr. Ng Koon Siong, Mr. Fan Ren Da Anthony, Mr. Chia Yew Boon and Ms. Chen Hua, established to advise the Independent Shareholders as to whether the terms of the HK Whitewash Waiver are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to give its recommendation as to voting in respect of the HK Whitewash Waiver
“%”	per cent

* *The English translation is for identification purposes only*

For the purpose of illustration only, amounts denominated in RMB in this announcement have been translated into HK\$ at the rate of HK\$1 = RMB0.7943. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

By order of the Board
Technovator International Limited
Lu Zhicheng
Chairman

Beijing, 30 April 2014

As at the date of this announcement, the Board comprises Mr. Zhao Xiaobo and Mr. Seah Han Leong as executive Directors; Mr. Lu Zhicheng, Mr. Liu Tianmin, Mr. Ng Koon Siong and Mr. Fan Xin as non-executive Directors; Mr. Fan Ren Da Anthony, Mr. Chia Yew Boon and Ms. Chen Hua as independent non-executive Directors.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.