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千里眼控股有限公司
TeleEye Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8051)

**ANNOUNCEMENT PURSUANT TO
RULE 3.7 AND RULE 3.8 OF THE TAKEOVERS CODE**

This announcement is made by TeleEye Holdings Limited (the “**Company**”) pursuant to Rule 3.7 and Rule 3.8 of The Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”).

Reference is made to the announcement of the Company dated 28 November 2014 (the “**Announcement**”) in relation to the possible sale of 8,256,661 Shares by the Controlling Shareholders. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

Further to the Announcement, the Board wishes to update the shareholders and potential investors of the Company that, as advised by the Controlling Shareholders the discussions regarding the Possible Transaction are still on-going. As at the date of this announcement, no definitive and/or legally binding agreements or contracts have been made in respect of the Possible Transaction. The Possible Transaction therefore may, or may not, proceed.

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid discussions will be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the GEM Listing Rules and the Takeovers Code (as the case may be).

The Board also wishes to announce that part of the outstanding share options under the share option scheme of the Company adopted on 28 October 2003 had been exercised during the period from 27 November 2014 to the date of this announcement. Pursuant to such exercise, a total of 38,225 Shares were issued, representing approximately 0.278% of the enlarged issued share capital of the Company. As at the date of this announcement and immediately after the exercise of the share options as described above, the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of

the Company comprise (i) 13,744,386 ordinary shares in issue, and (ii) outstanding share options to subscribe for 344,031 shares of the Company.

The associates (within the meaning ascribed thereto under the Takeovers Code, including but not limited to any person holding 5% or more of a class of relevant securities of the Company) of the Company are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.

Shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in the shares and/or other securities of the Company.

By order of the board
TeleEye Holdings Limited
Mr. Choi Wai Yip
Company Secretary

Hong Kong, 24 December 2014

As at the date of this announcement, the executive Directors are Prof. Chan Chok Ki (Chairman of the Company), Dr. Ma Chi Kit and Mr. Ho Ka Ho, the non-executive Director is Dr. Chan Cheung Fat, and the independent non-executive Directors are Mr. To Ka Ho, Prof. Siu Wan Chi and Prof. Ching Pak Chung.

All the Directors of the Company 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.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its posting and on the website of the Company at www.teleeye.com.hk.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.