

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



WING TAI INVESTMENT HOLDINGS LIMITED

永泰投資控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 876)

**(1) MAJOR TRANSACTION
IN RESPECT OF THE ACQUISITION OF
THE ENTIRE EQUITY INTEREST IN
ON GROWTH GLOBAL DEVELOPMENT LIMITED;
AND
(2) PROPOSED PLACING OF NEW SHARES TO
AN INSTITUTIONAL INVESTOR UNDER SPECIFIC MANDATE**

Financial adviser to the Company

**OPTIMA
CAPITAL
Optima Capital Limited**

THE ACQUISITION

On 10 January 2015, the Company, the Vendor, the Guarantor, Mr. Wu and Ms. Jiang entered into the Acquisition Agreement, pursuant to which the Company conditionally agreed to purchase, and the Vendor and the Guarantor conditionally agreed to sell or procure the sale of, the Sale Shares (being the entire equity interest in the Target) and the Sale Loan, at the Consideration of HK\$300,000,000 (subject to the downward adjustments in respect of the Profit Guarantees), of which HK\$100,000,000 is to be satisfied by cash on the Acquisition Completion Date; and HK\$200,000,000 by the issue and allotment to the Vendor or its nominees of up to 500,000,000 Consideration Shares. The portion of the Consideration to be settled in cash will be financed by the net proceeds from the Proposed Placing.

Upon Acquisition Completion, the Target, which is principally engaged in the sale and production of dental prosthetics through its subsidiaries, will become a direct wholly-owned subsidiary of the Company.

THE PROPOSED PLACING

On 10 January 2015, after the entering into of the Acquisition Agreement, the Company and the Institutional Investor (being a nominee of Ally Bridge) entered into the Subscription Agreement, pursuant to which the Institutional Investor conditionally agreed to (or procure its nominees to) subscribe for, and the Company conditionally agreed to issue and allot to the Institutional Investor, an aggregate of 250,000,000 Placing Shares.

The Placing Shares will be issued under a specific mandate to be sought for approval of the Shareholders at the SGM.

The Acquisition and the Proposed Placing are inter-conditional on each other.

LISTING RULES IMPLICATIONS

As one or more percentage ratios in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the Shareholders at the SGM by way of poll.

The Proposed Placing, including the issue of the Placing Shares, is also subject to the approval of the Shareholders at the SGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition or the Proposed Placing which is different from other Shareholders, and therefore, no Shareholder is required to abstain from voting on the relevant resolution(s) to be proposed at the SGM in relation to the Acquisition Agreement and the transactions contemplated thereunder, as well as the Proposed Placing. If the Vendor, Ally Bridge, the Institutional Investor, or their respective associates hold(s) any Shares on the date of the SGM, he/she/it/they will be required to abstain from voting on the relevant resolution(s) to be proposed at the SGM in relation to the Acquisition Agreement and the transactions contemplated thereunder, as well as the Proposed Placing.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) details of the Acquisition Agreement; (ii) details of the Proposed Placing; (iii) financial information of the Group; (iv) financial information of the Target Group; (v) unaudited pro forma financial information of the Enlarged Group; (vi) notice of the SGM; and (vii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 6 February 2015 as additional time is required for the preparation of the financial information to be included therein.

WARNING

Shareholders should note that the Acquisition and the Proposed Placing are conditional upon satisfaction of the respective conditions and therefore, they may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

Reference is made to the announcement of the Company dated 17 October 2014 in relation to the entering into of (i) the Term Sheet between the Company and the Vendor regarding the Acquisition; and (ii) the Framework Agreement between the Company and Ally Bridge regarding the Proposed Placing.

The Board is pleased to announce that on 10 January 2015, (i) the Company, the Vendor, the Guarantor, Mr. Wu and Ms. Jiang entered into the Acquisition Agreement, pursuant to which the Company conditionally agreed to purchase, and the Vendor and the Guarantor conditionally agreed to sell or procure the sale of, the Sale Shares (being the entire equity interest in the Target) and the Sale Loan; and (ii) the Company and the Institutional Investor (being a nominee of Ally Bridge) entered into the Subscription Agreement, pursuant to which the Institutional Investor conditionally agreed to (or procure its nominees to) subscribe for, and the Company conditionally agreed to issue and allot to the Institutional Investor, an aggregate of 250,000,000 Placing Shares.

Details of the Acquisition Agreement and the Subscription Agreement are set out below.

THE ACQUISITION

The Acquisition Agreement

Date:	10 January 2015
Purchaser:	the Company
Vendor:	View Bright Global Investment Limited, a company incorporated in the BVI with limited liability
Guarantor:	Mr. Yan, the legal and beneficial owner of the Vendor and a director of the Target and Royal Dental Lab
Other parties:	(1) Mr. Wu, a director of the Target and Royal Dental Lab; and (2) Ms. Jiang, a director of the Target, Royal Dental Lab and Shenzhen United

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is an investment holding company and each of the Vendor, Mr. Yan, Mr. Wu and Ms. Jiang is an Independent Third Party.

Assets to be acquired

Pursuant to the Acquisition Agreement, the assets to be acquired by the Purchaser are the Sale Shares, representing the entire issued share capital of the Target, and the Sale Loan, representing the shareholder's loan lent from the Guarantor to Royal Dental Lab.

Consideration

Pursuant to the Acquisition Agreement, the Consideration is HK\$300,000,000 (subject to the downward adjustments in respect of the Profit Guarantees), which is to be satisfied as follows:

- (i) as to HK\$100,000,000 payable to the Vendor by way of cash, and
- (ii) as to HK\$200,000,000 by way of allotment and issue of a total of 500,000,000 Consideration Shares to the Vendor or its nominees on the Acquisition Completion Date, which is to be kept in escrow by the Company until the Profit Guarantees are satisfied (details of which are set out in the paragraph headed “Profit Guarantees and adjustments to the Consideration” below).

The Consideration was determined after arm’s length negotiation between the Company and the Vendor, having taken into account a number of factors including (i) the face amount of the Sale Loan; (ii) the unaudited net assets of the Target Group of approximately HK\$44.0 million as at 31 October 2014; (iii) the historical performance of the Target Group; (iv) the business growth and profitability of the Target Group; (v) the prospect of the dental business in the PRC; and (vi) a price-earnings multiple of approximately 8 times on the average of the Profit Guarantees determined with reference to that of the comparable companies which are primarily engaged in dental-related business and listed on a securities exchange.

The Directors consider that the Consideration is fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

Profit Guarantees and adjustments to the Consideration

Pursuant to the Acquisition Agreement, the Vendor provides the Profit Guarantee as follows:

- (i) the NPAT for the year ending 31 December 2015 being not less than HK\$30,000,000; and
- (ii) the NPAT for the year ending 31 December 2016 being not less than HK\$50,000,000.

If the NPAT for the two years ending 31 December 2015 and 2016 (i.e. Aggregate Actual Profit) is not less than HK\$80,000,000 (i.e. the aggregate amount of the Profit Guarantees), all 500,000,000 Consideration Shares shall be released to the Vendor or its nominees promptly and in any case within 10 Business Days. The Acquisition Agreement further provides that:

- (i) if the 2015 Profit Guarantee is satisfied and that the 2015 Actual Profit is:
 - (a) not less than HK\$30,000,000 but not more than HK\$34,500,000, then 250,000,000 Consideration Shares shall be released to the Vendor or its nominees promptly after confirmation by both the Purchaser and the Vendor of the 2015 Actual Profit but in any case within 10 Business Days thereof, and the remaining 250,000,000 Consideration Shares will be released to the Vendor or its nominees if the Aggregate Actual Profit is not less than HK\$80,000,000; or
 - (b) more than HK\$34,500,000 (i.e. 15% more than the 2015 Profit Guarantee), then 300,000,000 Consideration Shares shall be released to the Vendor or its nominees after confirmation by both the Purchaser and the Vendor of the 2015 Actual Profit but in any case within 10 Business Days thereof, and the remaining 200,000,000 Consideration Shares will be released to the Vendor or its nominees if the Aggregate Actual Profit is not less than HK\$80,000,000;

- (ii) if the 2015 Profit Guarantee is not satisfied and that the 2015 Actual Profit is:
- (a) higher than HK\$20,000,000, then 125,000,000 Consideration Shares shall be released to the Vendor or its nominees promptly after confirmation by both the Purchaser and the Vendor of the 2015 Actual Profit but in any case within 10 Business Days thereof, and the remaining 375,000,000 Consideration Shares will be released to the Vendor or its nominees if the Aggregate Actual Profit is not less than HK\$80,000,000; or
 - (b) less than HK\$20,000,000 but the Aggregate Actual Profit is not less than HK\$80,000,000, then a total number of 500,000,000 Consideration Shares shall still be released to the Vendor or its nominees promptly after the confirmation by both the Purchaser and the Vendor of the 2016 Actual Profit and in any case within 10 Business Days thereof; and
- (iii) if the Aggregate Actual Profit is less than HK\$80,000,000, the Consideration shall be reduced by the downward adjustment (the “**Downward Adjustment**”) calculated according to the following formula:

$$\text{Downward Adjustment} = (\text{Aggregate amount of the Profit Guarantees} - \text{Aggregate Actual Profit}) / \text{Aggregate of the Profit Guarantees} \times \text{HK\$200,000,000}$$

The adjusted Consideration (the “**Adjusted Consideration**”) shall be calculated as follows:

$$\text{Adjusted Consideration} = \text{Consideration (i.e. HK\$300,000,000)} - \text{Downward Adjustment}$$

Upon confirmation of the Adjusted Consideration by the Purchaser and the Vendor, the Downward Adjustment shall be settled by releasing corresponding number of Consideration Shares to the Purchaser at a nominal consideration of HK\$1, whilst the remaining Consideration Shares in escrow shall be released to the Vendor or its nominees promptly but in any case within 10 Business Days after the confirmation by both the Purchaser and the Vendor of the 2016 Actual Profit.

The Consideration Shares

The Consideration Shares, if issued and allotted in full, represent (i) approximately 16.25% of the existing issued share capital of the Company; (ii) approximately 13.98% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares; and (iii) approximately 13.07% of the issued share capital of the Company as enlarged by the allotment and issue of both the Consideration Shares and the Placing Shares (to be discussed in the section headed “The Proposed Placing” below).

The Consideration Shares shall rank pari passu with all other Shares in issue as at the date of the Acquisition Agreement. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

The Issue Price of HK\$0.4 represents:

- (i) a discount of approximately 21.57% to the closing price of HK\$0.51 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 19.68% to the average of the closing prices of HK\$0.498 per Share for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 17.36% to the average of the closing prices of HK\$0.484 per Share for the last ten consecutive trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 400.0% overage the net asset value per Share attributable to the Shareholders of approximately HK\$0.08 as at 30 June 2014 (calculated by dividing the total equity attributable to the Shareholders of approximately HK\$147,507,000 as at 30 June 2014 (further adjusted by the net proceeds of approximately HK\$98,040,000 from the issue of the Convertible Notes completed in July 2014) by the number of existing issued Shares of 3,076,207,031).

Conditions precedent to the Acquisition Completion

The Acquisition Completion shall be conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (i) the Purchaser having completed the due diligence work on the business, finance and legal aspects of the Group with a result to its satisfaction;
- (ii) approval of the Acquisition Agreement and the transactions contemplated thereunder (including the issue of the Consideration Shares) by the Shareholders in accordance with the Listing Rules;
- (iii) listing of and permission to deal in the Consideration Shares being granted by the Stock Exchange;
- (iv) the Proposed Placing having been completed successfully;
- (v) no event having occurred which constitutes a breach of any of the representations, warranties and undertakings on the part of the Vendor contained in the Acquisition Agreement or other provisions of the Acquisition Agreement by the Vendor, the Guarantor, Ms. Jiang or Mr. Wu (as the case may be); and
- (vi) the Vendor and the Guarantor having entered into a tax indemnity in the form attached to the Acquisition Agreement in favour of the Company.

The Company may in its absolute discretion at any time waive the conditions set out in (i), (v) and (vi) above by notice in writing on or prior to 31 March 2015 (or such later date as may be agreed between the Company and the Vendor). Neither the Company nor the Vendor may waive any of the conditions set out in (ii), (iii) and (iv) above.

If any of the above conditions is not fulfilled or waived (as the case may be) by 31 March 2015 (or such later date as may be agreed between the Company and the Vendor), the Acquisition Agreement shall terminate and none of the parties thereto shall have any claim against the others for costs, damages, compensation or otherwise (save in respect of any prior breach of the Acquisition Agreement).

Capital injection undertaking by the Company

The Company undertakes that after the Acquisition Completion, the Company shall inject HK\$50,000,000 into the Target for the purposes of expanding the production capability of the Target, establishing marketing sales channels, and advertising under the capital utilisation plans to be approved by the board of the Target.

Non-competition undertakings by the Vendor

The Vendor, Ms. Jiang, Mr. Wu and the Guarantor undertake that, among other things, they will not, and will procure that their respective associates will not, either directly or indirectly (i) for a period of three years from the Acquisition Completion, be interested or engaged in any business similar to or which competes with the Target Group in Hong Kong, the PRC or other country in which the Target Group presently carries on business or has a place of business, be in competition with any business of the Target Group carried on at any time during the two years preceding the date of the Acquisition Agreement, solicit any suppliers or customers of the Target Group, or solicit any employees of the Target Group; and (ii) at any time after the date of the Acquisition Agreement, do anything which may be harmful to the reputation of the Target Group, make use of or disclose to any person any confidential information or rights of the Target Group, or do anything which is likely to be confused with the intellectual property rights of the Target Group.

Right of appointment

Pursuant to the Acquisition Agreement, upon Acquisition Completion, the Vendor shall have the right to appoint one executive Director to ensure consistency in the business operations of the Target and the Company; while the Company shall have the right to appoint one chief financial officer to the Target to assist it in the financial management and capital utilisation of the Target Group.

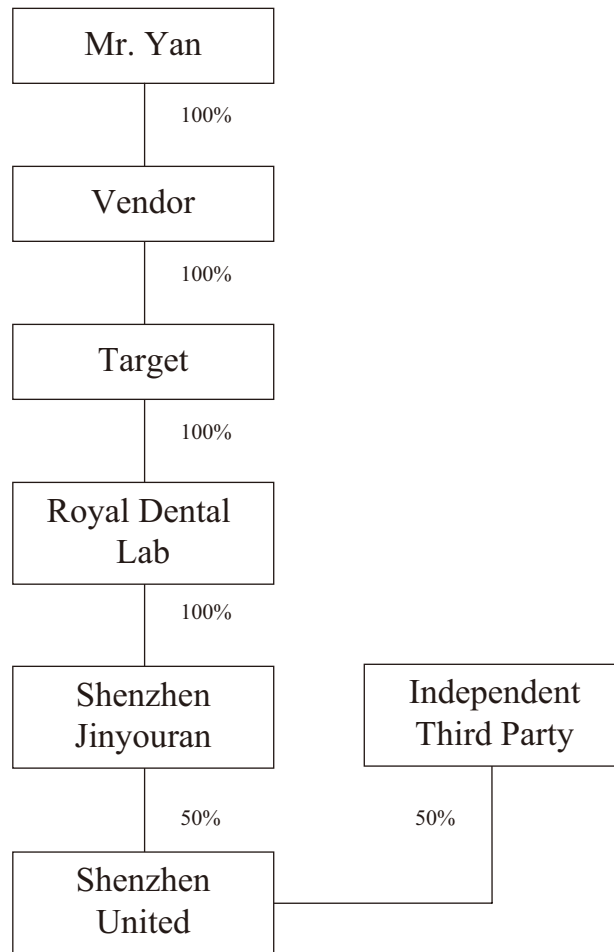
In no event shall the person to be appointed as the executive Director by the Vendor be a substantial shareholder (as defined under the Listing Rules) of any of the companies of the Target Group.

Acquisition Completion

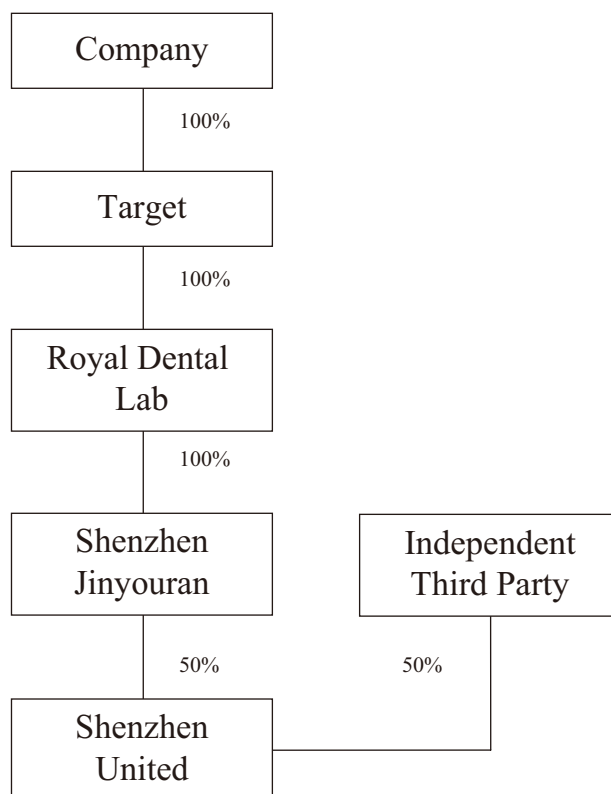
Acquisition Completion shall take place on the Acquisition Completion Date. Upon Acquisition Completion, the Target will become a direct wholly-owned subsidiary of the Company.

Shareholding structure of the Target Group

Set out below is the shareholding structure of the Target Group as at the date of this announcement:



Set out below is the shareholding structure of the Target Group immediately after Acquisition Completion:



Information on the Target Group

The Target is an investment holding company incorporated in the BVI with limited liability on 18 January 2011 and is wholly owned by the Vendor. On 20 August 2012, Royal Dental Lab was incorporated by the Target in Hong Kong and became a direct wholly-owned subsidiary of the Target. Since their respective dates of incorporation until November 2013, neither the Target nor Royal Dental Lab had any business operations. In November 2013, Royal Dental Lab acquired the entire equity interest in Shenzhen Jinyouran, which was established on 19 June 2008 under the laws of the PRC with limited liability and owns 50% equity interest in Shenzhen United, a sino-foreign joint-venture established with an Independent Third Party in March 2013.

Since its establishment, Shenzhen Jinyouran has been principally engaged in the sale and production of dental prosthetics, including crowns and bridges, removable full and partial dentures, implants and full-cast restorations, and all of its products were exported to overseas countries. Shenzhen Jinyouran has a production factory of over 5,000 sq.m. in Longgang district, Shenzhen with more than 800 staff members, including over 500 technicians or production staff and over 30 sales staff. Since the acquisition of Shenzhen Jinyouran in November 2013, the Target Group has begun its production of dental prosthetics at the production factory in Shenzhen and the products have been sold to overseas clinics and dental professionals in Europe (other than France), the United States of America and Japan through Royal Dental Lab whilst Shenzhen Jinyouran is responsible for the sale of dental products to the clinics and hospitals across the PRC.

Shenzhen United has been engaged in the sale and production of the dental prosthetics with the product types similar to those of Shenzhen Jinyouran in its own production factory which is also located in Longgang district, Shenzhen. The products of Shenzhen United are sold directly to France through its own sales and marketing team.

Financial information on the Target Group

Set out below is the unaudited consolidated profit before and after tax of the Target Group for the two years ended 31 December 2013 and the ten months ended 31 October 2014, as well as the unaudited consolidated net assets of the Target Group as at 31 October 2014 as prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the ten months ended 31 October 2014 <i>(unaudited)</i> <i>(approximately)</i>	For the year ended 31 December 2013 <i>(unaudited)</i> <i>(approximately)</i>	For the year ended 31 December 2012 <i>(unaudited)</i> <i>(approximately)</i>
Profit before taxation	HK\$45,869,000	HK\$7,734,000	–
Profit after taxation	HK\$35,922,000	HK\$5,969,000	–
			As at 31 October 2014 <i>(unaudited)</i> <i>(approximately)</i>
Net assets			HK\$44,026,000

Financial information on Shenzhen Jinyouran

Set out below is the unaudited consolidated financial information of Shenzhen Jinyouran for the two years ended 31 December 2013 and the ten months ended 31 October 2014, as well as the unaudited consolidated net assets of Shenzhen Jinyouran as at 31 October 2014 as prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the ten months ended 31 October 2014 <i>(unaudited)</i> <i>(approximately)</i>	For the year ended 31 December 2013 <i>(unaudited)</i> <i>(approximately)</i>	For the year ended 31 December 2012 <i>(unaudited)</i> <i>(approximately)</i>
Profit before taxation	RMB1,669,000 (equivalent to approximately HK\$2,086,250)	RMB802,000 (equivalent to approximately HK\$1,002,500)	RMB84,000 (equivalent to approximately HK\$105,000)
Profit/(Loss) after taxation	RMB(497,000) (equivalent to approximately HK\$(621,250))	RMB261,000 (equivalent to approximately HK\$326,250)	RMB57,000 (equivalent to approximately HK\$71,250)
			As at 31 October 2014 <i>(unaudited)</i> <i>(approximately)</i>
Net assets			RMB2,677,000 (equivalent to approximately HK\$3,346,250)

THE PROPOSED PLACING

The Subscription Agreement

Date: 10 January 2015

Issuer: the Company

Subscriber: the Institutional Investor, being a nominee of Ally Bridge

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Institutional Investor and Ally Bridge are Independent Third Parties.

Placing Shares

Pursuant to the Subscription Agreement, the Company will conditionally issue and allot to the Institutional Investor, and the Institutional Investor will conditionally (or procure its nominees to) subscribe for, an aggregate of 250,000,000 Placing Shares.

As at the date of this announcement, the Company had a total of 3,076,207,031 Shares in issue. The Placing Shares represent (i) approximately 8.13% of the existing issued share capital of the Company; (ii) approximately 7.52% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares; and (iii) approximately 6.53% of the issued share capital of the Company as enlarged by the allotment and issue of both the Placing Shares and the Consideration Shares in full. The aggregate nominal value of the Placing Shares is HK\$312,500.

The Placing Shares shall rank pari passu with all other Shares in issue as at the date of the Subscription Agreement and shall be entitled to all dividends and distributions the record date of which falls on a date on or after the date of the Subscription Agreement. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares. The Placing Shares will be issued under a specific mandate to the sought for the approval by the Shareholders at the SGM.

The Placing Price of HK\$0.4 represents:

- (i) a discount of approximately 21.57% to the closing price of HK\$0.51 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 19.68% to the average of the closing prices of HK\$0.498 per Share for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 17.36% to the average of the closing prices of HK\$0.484 per Share for the last ten consecutive trading days up to and including the Last Trading Day; and
- (v) a premium of approximately 400.0% overage the net asset value per Share attributable to the Shareholders of approximately HK\$0.08 as at 30 June 2014 (calculated by dividing the total equity attributable to the Shareholders of approximately HK\$147,507,000 as at 30 June 2014 (further adjusted by the net proceeds of approximately HK\$98,040,000 from the issue of the Convertible Notes completed in July 2014) by the number of existing issued Shares of 3,076,207,031).

The Placing Price was determined after arm's length negotiation between the Company and the Institutional Investor by reference to recent trading prices of the Shares, historical performance and future prospects of the Enlarged Group and the market conditions. The Directors are of the view that the Placing Price, being equal to the Issue Price, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent to the Placing Completion

The Placing Completion shall be conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (i) the Institutional Investor having conducted, and being reasonably satisfied with the results of, due diligence on the Group and the Target Group;
- (ii) approval of the Subscription Agreement and the transactions contemplated thereunder by the Shareholders in accordance with the Listing Rules;
- (iii) listing of and permission to deal in the Placing Shares being granted by the Stock Exchange (and such grant not having been revoked);
- (iv) the relevant authority of Bermuda having approved the issue of the Placing Shares (if required);
- (v) the Acquisition Agreement having been entered into on terms based on the Term Sheet and consistent with the Announcement and otherwise on terms reasonably satisfactory to the Institutional Investor, and there having been no modification or waiver of any other those terms;
- (vi) the audited consolidated results of the Company for the financial year ended on 31 December 2014 having been announced and published on the Stock Exchange's website and the Institutional Investor being reasonably satisfied with those results; and
- (vii) the conditions precedent of the Acquisition under the Acquisition Agreement (other than the Placing Completion) having been satisfied or waived to the satisfaction of the Institutional Investor and the Institutional Investor being reasonably satisfied that the Acquisition Completion will occur upon the Placing Completion.

The Institutional Investor may in its absolute discretion at any time waive the conditions set out in (i), (v), (vi) and (vii) above by notice in writing on or prior to 31 March 2015 (or such later date as may be agreed between the Company and the Institutional Investor). Neither the Company nor the Institutional Investor may waive any of the conditions set out in (ii), (iii) and (iv) above.

Right of termination

In addition, the Institutional Investor may elect not to complete the subscription of the Placing Shares, if before the Placing Completion, in the opinion of the Institutional Investor, the following events (the "Events") occur:

- (i) there has been a breach of any of the representations and warranties of the Company as set out in the Subscription Agreement or there is likely to be a breach of any of them on the Placing Completion;
- (ii) there has been, or there is likely to be, a breach by the Company or any of its other covenants, undertakings or undertakings under the Subscription Agreement;
- (iii) there has since the date of the Subscription Agreement been, or there is likely to be, a material adverse change in the business, operations, properties, conditions (financial or otherwise) or prospects of the Group or of the Enlarged Group; or

- (iv) the Shares have been suspended or halted from trading on the Stock Exchange for a consecutive period exceeding 15 trading days.

If any of the above conditions precedent to the Placing Completion is not fulfilled or waived (as the case may be) by 31 March 2015 (or such later date as may be agreed between the Company and the Institutional Investor), or if the Institutional Investor elects not to complete the subscription of the Placing Shares pursuant to the occurrence of any of the Events, the Subscription Agreement shall terminate and the provisions therein shall cease to have effect (except for any rights or liabilities already accrued thereunder and certain provisions relating to, among others, notices and governing law).

Placing Completion

The Placing Completion shall take place upon satisfaction or waiver by the Institutional Investor (as the case may be) of the conditions precedent to the Placing Completion.

Information on the Institutional Investor

Ally Bridge is an exempted limited partnership incorporated in the Cayman Islands, whereas the Institutional Investor, being a nominee of Ally Bridge to enter into the Subscription Agreement with the Company pursuant to the Framework Agreement, is a company incorporated in the BVI.

Both Ally Bridge and the Institutional Investor are affiliates of Ally Bridge Group (滙橋資本集團) (“**ABG**”), which is a global investment group investing in healthcare and Internet companies with investments in China, the United States of America and Europe. ABG was founded and is led by Mr. Yu Fan (Frank) (于凡), who is also founder and chief executive officer of Themes Investment Partners (甲子基金), a China-focused private equity fund. ABG specializes in investing in leading platforms and assisting these platforms with cross-border strategic partnerships.

REASONS FOR THE ACQUISITION AND THE PROPOSED PLACING

The Group is principally engaged in the manufacture of and trading in electronic components in the PRC and Hong Kong. For the year ended 31 December 2013, the Group’s financial performance has declined with a consolidated net loss attributable to the Shareholders from its continuing operations of approximately HK\$43,672,000, compared to a profit of approximately HK\$24,538,000 in the previous year. As shown in the interim report of the Company for the six months ended 30 June 2014, the Group continued to record net consolidated loss during the period. In view of the weakening performance of the Group, the Board has been exploring business diversification opportunities in order to enhance the long-term growth potential of the Company. For example, the Company acquired 100% equity interest in a money lending company in Hong Kong in August 2014 and announced to acquire certain equity interest in a company engaged in the production of electrical components in October 2014.

The Directors believe that, through the Acquisition, the Company could further diversify its business portfolio into the denture business in the PRC and overseas markets and explore an additional income stream for the Group. Moreover, in light of the improving living standard in the PRC and the increasing awareness of dental health and cosmetics in the PRC, the Directors are optimistic about the long-term growth in demand for dental prosthesis in the country. Considering the proven track record in producing a diversified variety of dental prosthetics for overseas clinics and dental professionals of the PRC Operating Subsidiaries, the Directors are confident that the Target Group is well-positioned to leverage on the experience and expertise of the PRC Operating Subsidiaries to expand in the domestic market while attaining steady profitability in the overseas markets.

In view of the above, the Directors consider that the terms of the Acquisition Agreement are fair and reasonable and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

To finance the Acquisition, the Company entered into the Subscription Agreement with the Institutional Investor, whereby an estimated net proceed of approximately HK\$100,000,000 is expected to be raised with an estimated net price of HK\$0.4 per Placing Share.

The Directors believe that the Proposed Placing can finance the Acquisition without causing any adverse financial impact on the financial position of the Group as compared to debt financing, which could increase the gearing ratio of the Group. Therefore, the Directors are of the view that the Proposed Placing is in the interest of the Company and the Shareholders as a whole.

EFFECTS OF THE PROPOSED PLACING AND THE ISSUE OF THE CONSIDERATION SHARES ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, based on the information available to the Company having made enquiries to the extent practicable, the following table shows the shareholding structure of the Company as at the date of this announcement, immediately after the Placing Completion, and immediately after both the Placing Completion and all of the Consideration Shares having been issued to the Vendor:

	As at the date of this announcement		Immediately after the Placing Completion (Note 1)		Immediately after both the Placing Completion and all the Consideration Shares having been issued to the Vendor (Note 1)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Weltrade Group Limited (Note 2)	1,053,698,040	34.25	1,053,698,040	31.68	1,053,698,040	27.54
Xianjian Advanced Technology Limited (Note 3)	744,000,000	24.19	744,000,000	22.37	744,000,000	19.44
The Vendor	—	—	—	—	500,000,000	13.07
The Institutional Investor	—	—	250,000,000	7.52	250,000,000	6.53
Other public Shareholders	1,278,508,991	41.56	1,278,508,991	38.43	1,278,508,991	33.42
Total	<u>3,076,207,031</u>	<u>100.00</u>	<u>3,326,207,031</u>	<u>100.00</u>	<u>3,826,207,031</u>	<u>100.00</u>

Notes:

1. These columns are for illustrative purpose only.
2. Weltrade Group Limited is a company incorporated in the BVI and is wholly owned by Mr. Wen Jialong, who is the Chairman and an executive Director of the Company.
3. Xianjian Advanced Technology Limited is a company incorporated in the BVI and is wholly owned by Mr. Xie Yuehui.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

Apart from the fund raising activity mentioned below, the Company has not carried out any other fund raising activities during the 12 months immediately preceding the date of this announcement.

Date of announcement	Date of completion	Fund raising activity	Net proceeds	Intended use of net proceeds	Actual use of net proceeds
23 June 2014	3 July 2014	Issue of the Convertible Notes in an aggregate principal amount of HK\$99,840,000 to Silver Empire Holding Limited, by-then an Independent Third Party	Approximately HK\$98 million	Future investment opportunities and general working capital of the Group	Approximately HK\$10 million has been used for the acquisition of Common Glory Global Limited as announced on 10 October 2014, and approximately HK\$10 million has been used for general working capital of the Group; whereas the remaining unused net proceeds of approximately HK\$78 million shall be used for other future investment opportunities and general working capital purposes.

LISTING RULES IMPLICATIONS

As one or more percentage ratios in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the Shareholders at the SGM by way of poll.

The Proposed Placing, including the issue of the Placing Shares, is also subject to the approval of the Shareholders at the SGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition or the Proposed Placing which is different from other Shareholders, and therefore, no Shareholder is required to abstain from voting on the relevant resolution(s) to be proposed at the SGM in relation to the Acquisition Agreement, the transactions contemplated thereunder, as well as the Proposed Placing. If the Vendor, Ally Bridge, the Institutional Investor, or their respective associates hold(s) any Shares on the date of the SGM, he/she/it/they will be required to abstain from voting on the relevant resolution(s) to be proposed at the SGM in relation to the Acquisition Agreement and the transactions contemplated thereunder, as well as the Proposed Placing.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) details of the Acquisition Agreement; (ii) details of the Proposed Placing; (iii) financial information of the Group; (iv) financial information of the Target Group; (iv) unaudited pro forma financial information of the Enlarged Group; (v) notice of the SGM; and (vi) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 6 February 2015 as additional time is required for the preparation of the financial information to be included therein.

WARNING

Shareholders should note that the Acquisition and the Proposed Placing are conditional upon satisfaction of the respective conditions and therefore, they may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

DEFINITION

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2015 Actual Profit”	the NPAT for the fiscal year ending 31 December 2015
“2016 Actual Profit”	the NPAT for the fiscal year ending 31 December 2016
“2015 Profit Guarantee”	the 2015 Actual Profit being not less than HK\$30,000,000
“2016 Profit Guarantee”	the 2016 Actual Profit being not less than HK\$50,000,000
“Acquisition”	the acquisition of the Sale Shares and the Sale Loan by the Company pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 10 January 2015 entered into among the Company, the Vendor, the Guarantor, Mr. Wu and Ms. Jiang in relation to the Acquisition
“Acquisition Completion”	completion of the Acquisition
“Acquisition Completion Date”	the 5th Business Day after satisfaction or waiver by the Company of the conditions set out in the Acquisition Agreement

“Aggregate Actual Profit”	the aggregate of the 2015 Actual Profit and the 2016 Actual Profit
“Ally Bridge”	Ally Bridge Group Capital Partners II, L.P. an exempted limited partnership incorporated in the Cayman Islands
“Announcement”	the announcement published by the Company immediately after execution of the Subscription Agreement in accordance with the Listing Rules in relation to the Acquisition and the Subscription Agreement in the form or substantially in the form as set out in the Subscription Agreement, being this announcement
“associates”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or a Sunday) on which banks are generally open for business in Hong Kong
“BVI”	British Virgin Islands
“Company”	Wing Tai Investment Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange (stock code: 876)
“Consideration”	the consideration for the Sale Shares and the Sale Loan under the Acquisition Agreement
“Consideration Shares”	a maximum of 500,000,000 Shares to be issued and allotted by the Company to the Vendor or its nominees at the Issue Price pursuant to the Consideration
“Convertible Notes”	the convertible notes in aggregate principal amount of HK\$99,840,000 issued by the Company to Silver Empire Holding Limited, details of which are set out in the announcements of the Company dated 23 June 2014, 25 June 2014, 3 July 2014, 22 September 2014 and 13 November 2014
“Director(s)”	director(s) of the Company
“Enlarged Group”	the Company and its subsidiaries upon Acquisition Completion
“Framework Agreement”	the non-binding framework agreement dated 16 October 2014 and entered into between the Company and Ally Bridge in relation to the Proposed Placing
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)
“Institutional Investor”	ABG II-RYD Limited, a company incorporated in the BVI and the subscriber of the Placing Shares pursuant to the Proposed Placing
“Issue Price”	the issue price of HK\$0.4 per Consideration Share
“Last Trading Day”	9 January 2015, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wu”	Mr. Wu Tianyu, a PRC citizen and spouse of Ms. Jiang, and also a director of the Target and Royal Dental Lab
“Mr. Yan” or “Guarantor”	Mr. Yan XT Timothy, a Canadian national, who is the legal and beneficial owner of the Vendor and a director of the Target and Royal Dental Lab, as well as the guarantor of the Vendor under the Acquisition Agreement
“Ms. Jiang”	Ms. Jiang Sisi, a PRC citizen and spouse of Mr. Wu, and also a director of the Target, Royal Dental Lab and Shenzhen United, as well as the supervisor of Shenzhen Jinyouran
“NPAT”	the consolidated net profit after tax (excluding extraordinary and excluded items) of the Target Group as shown in the Target’s audited consolidated financial statements for such fiscal year prepared by internationally reputable auditors acceptable to the Company
“Placing Completion”	completion of the Proposed Placing
“Placing Price”	the placing price of HK\$0.4 per Placing Share
“Placing Shares”	250,000,000 new Shares to be issued and allotted by the Company to the Institutional Investor or its nominees at the Placing Price under the Proposed Placing
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Operating Subsidiaries”	Shenzhen Jinyouran and Shenzhen United
“Profit Guarantees”	the 2015 Profit Guarantee and the 2016 Profit Guarantee
“Proposed Placing”	the proposed placing of 250,000,000 new Shares by the Company to the Institutional Investor pursuant to the Subscription Agreement

“Royal Dental Lab”	Royal Dental Laboratory Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target
“Sale Loan”	a shareholder’s loan in an outstanding amount of RMB2,200,000 due from Royal Dental Lab to the Guarantor
“Sale Shares”	100 shares in the Target, representing the entire issued share capital of the Target
“SGM”	the special general meeting of the Company to be held for the Shareholders to consider, and if thought fit, approve the Acquisition Agreement and the transactions contemplated thereunder, as well as the Proposed Placing
“Share(s)”	the ordinary share(s) of HK\$0.00125 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Jinyouran”	深圳市金悠然科技有限公司 (Shenzhen Jinyouran Technology Company Limited*), a wholly-foreign-owned enterprise established in the PRC with limited liability and wholly owned by Royal Dental Lab
“Shenzhen United”	深圳市聯合牙科科技有限公司 (Shenzhen United Dental Technology Company Limited*), a sino-foreign joint venture established in the PRC with limited liability and owned as to 50% by Shenzhen Jinyouran and 50% by an Independent Third Party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 10 January 2015 and entered into between the Company and the Institutional Investor in relation to the subscription of the Placing Shares by the Institutional Investor or its nominees
“Target”	On Growth Global Development Limited, a company incorporated in the BVI with limited liability, the entire equity interest of which is owned by the Vendor
“Target Group”	the Target and its subsidiaries
“Term Sheet”	the non-binding term sheet dated 16 October 2014 relating to the Acquisition
“Vendor”	View Bright Global Investment Limited, a company incorporated in the BVI with limited liability and wholly owned by Mr. Yan
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

“sq.m.” square meters

“%” per cent.

* *For identification purpose only. The Chinese names of the PRC Operating Subsidiaries and individuals have been translated into English in this announcement. In the event of any discrepancies between the Chinese names and the English translation, the Chinese names prevail.*

For ease of reference and unless otherwise specified in this announcement, sums in HK\$ and RMB in this announcement is translated at the rate RMB1.0 = HK\$1.25. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.

By order of the Board
Wing Tai Investment Holdings Limited
Wen Jialong
Chairman and Executive Director

Hong Kong, 11 January 2015

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Wen Jialong (Chairman) and Mr. Wu Xiaolin (Vice-Chairman), two non-executive Directors, namely Mr. Chow Tak Hung and Mr. Lam Kwok Cheong and three independent non-executive Directors, namely Mr. Zeng Zhaolin, Dr. Loke Yu alias Loke Hoi Lam and Mr. Lung Chee Ming George.