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Ajisen (China) Holdings Limited **味千(中國)控股有限公司**

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 538)

CONNECTED TRANSACTION

On 4 August 2016, Ajisen Investments (an indirect wholly-owned subsidiary of the Company), A&O (a connected person of the Company), together with the other Series B Investors, Yunnex, the Founder Parties, and the Major Subsidiaries entered into the Share Purchase Agreement, pursuant to which Yunnex agreed to allot and issue, and Ajisen Investments and A&O agreed to purchase 7,147,945 and 5,003,561 series B preferred shares in Yunnex at a cash consideration of US\$10,000,000 and US\$7,000,000, respectively. Following Completion, neither Ajisen Investments nor A&O will become a substantial shareholder of Yunnex on fully diluted basis. Yunnex is principally engaged in the design, distribution, sale and/or operation of the software and hardware products of artificial intelligence and commercial service platform for offline merchants; and the design, distribution, sale and/or operation of the membership cards, membership system and commercial service platform for offline merchants in the PRC.

As a condition precedent to Completion, the Shareholders' Agreement will be entered into by Yunnex, the Founder Parties, the Series A Investors, the Series B Investors and the Major Subsidiaries to govern the conduct of affairs of Yunnex.

LISTING RULES IMPLICATIONS

As at the date of this announcement, A&O is a company wholly and beneficially owned by Mr. Jason Poon, an executive Director, and hence A&O is a connected person of the Company. Accordingly, the Share Purchase Agreement together with the Shareholders' Agreement constitute connected transaction of the Company.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, apart from A&O, the parties to the Share Purchase Agreement and the Shareholders' Agreement, and their ultimate beneficial owners are Independent Third Parties.

Since certain applicable percentage ratios as defined under Rule 14.07 of the Listing Rules exceed 0.1% but fall below 5%, the entering into of the Share Purchase Agreement and the Shareholders' Agreement are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

SHARE PURCHASE AGREEMENT

On 4 August 2016, Ajisen Investments (a wholly-owned subsidiary of the Company), A&O (a connected person of the Company), together with the other Series B Investors, Yunnex, the Founder Parties, and the Major Subsidiaries entered into the Share Purchase Agreement.

Date

4 August 2016

Parties

- (1) The Series B Investors (including Ajisen Investments and A&O);
- (2) Yunnex;
- (3) the Founder Parties; and
- (4) the Major Subsidiaries.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, apart from A&O, the parties to the Share Purchase Agreement, and their ultimate beneficial owners are Independent Third Parties.

Purchase of series B preferred shares in Yunnex

Pursuant to the Share Purchase Agreement, Yunnex agreed to issue and sell to, and the Series B Investors (including Ajisen Investments and A&O) agreed to subscribe for and purchase, severally but not jointly, series B preferred shares at US\$1.3999 per share. Each of Ajisen Investments and A&O agreed to purchase 7,147,945 and 5,003,561 series B preferred shares at an aggregate cash consideration of US\$10,000,000 and US\$7,000,000 respectively. The cash consideration is payable by each of Ajisen Investments and A&O within 5 days after the Completion Date. The consideration was determined on arm's length basis with reference to the estimated future cash flow of Yunnex.

Summary of the rights, preferences and privileges of the Preferred Shares (including the series B preferred shares)

Dividend – No dividend, whether in cash, in property, in the shares of Yunnex or otherwise may be declared or paid on any other class or series of its shares unless and until a dividend in the like amount is first paid in full on the Preferred Shares on an as-if converted basis.

Liquidation – The holders of the series B preferred shares shall be entitled to receive the liquidation proceed, prior and in preference to the holders of the any other class or series of shares.

Conversion – Each Preferred Share may, at the option of the holder thereof, be converted into ordinary shares based on the then effective conversion price. Each Preferred Shares shall automatically be converted into ordinary shares immediately upon the closing of a qualified IPO.

Voting rights – Holders of the Preferred Shares shall have the right to such number of votes for each Preferred Share as equals the whole number of ordinary shares into which each issued and outstanding Preferred Share held could then be converted.

Completion

Completion is conditioned upon, among others, all approval, authorization or consent which are required in respect of the Share Purchase Agreement, the Shareholders' Agreement and the transactions contemplated thereby having been obtained.

Completion shall take place on Completion Date, that is no later than three (3) business days after all conditions precedent to Completion have been satisfied or waived.

Following the Completion, neither Ajisen Investments nor A&O will become a substantial shareholder of Yunnex on fully diluted basis.

SHAREHOLDERS' AGREEMENT

As a condition precedent to the completion of the Share Purchase Agreement, the Shareholders' Agreement will be entered into by Yunnex, the Founder Parties, the Series A Investors, the Series B Investors (including Ajisen Investments and A&O), and the Major Subsidiaries to govern the conduct of affairs of Yunnex.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, apart from A&O, the parties to the Shareholders' Agreement, and their ultimate beneficial owners are Independent Third Parties.

Management

The board of directors of Yunnex will consist of no more than seven (7) directors, one (1) of whom will be appointed by Ajisen Investments as long as Ajisen Investments and A&O collectively hold at least 50% of the Preferred Shares held by them immediately after the Completion.

In any event, Ajisen Investments will be entitled to appoint one (1) observer to the board of directors of Yunnex. The observer shall be entitled to attend meetings of the board, and receive copy of all notices, minutes, consents and other material that are provided to the directors of Yunnex at the same time and in the same manner as provided to the directors.

Pre-emptive rights

Each Preferred Shareholder has a right to purchase up to its pro rata share of any new shares that Yunnex may, from time to time, propose to sell or issue on the same price, terms and conditions as Yunnex proposes to sell or issue to any potential investor. The Preferred Shareholders also have a right of oversubscription if any Preferred Shareholder elects not to purchase its full pro rata share.

Share transfer rights

If a Founder Party intends to directly or indirectly transfer, sell, assign or pledge any of Yunnex's ordinary shares directly or indirectly owned by him to any one or more third parties, such Founder Party shall obtain unanimous written consent of the board of directors of Yunnex, and each Preferred Shareholder will have the right of first refusal and the right of co-sale in respect of such shares.

INFORMATION ABOUT YUNNEX AND THE MAJOR SUBSIDIARIES

Yunnex is exempted company incorporated in the Cayman Islands.

Yunnex is an investment holding company which holds the entire issued share capital of Yunnex HK, which in turn holds the entire equity interest of Guangzhou Hougu which through the VIE Contracts, has effective control over Guangzhou Chaoka and Guangzhou Yunnex, and enjoys the economic interests and benefits of Guangzhou Chaoka and Guangzhou Yunnex. The PRC Founders are the majority shareholders of Guangzhou Yunnex. Guangzhou Chaoka is held by one of the PRC Founders on trust for Guangzhou Yunnex.

The Yunnex Group is principally engaged in the design, distribution, sale and/or operation of the software and hardware products of artificial intelligence and commercial service platform for offline merchants; and the design, distribution, sale and/or operation of the membership cards, membership system and commercial service platform for offline merchants in the PRC.

Guangzhou Yunnex and Guangzhou Chaoka are the main operating companies of the Yunnex Group. The major product of Guangzhou Yunnex is a code-scanning point of sales machine (掃碼POS機) (“**POS Machine**”). The POS Machine supports not only the traditional payment methods such as

credit card payments but also payment services through WeChat or Alipay accounts by scanning a Quick Response Code (“**QR Code**”) generated from the apps. Additionally, the POS Machine includes features to cater for different functionality, such as customer relationship management, analysing of consumers’ data, membership management and distribution of promotional cards or tickets.

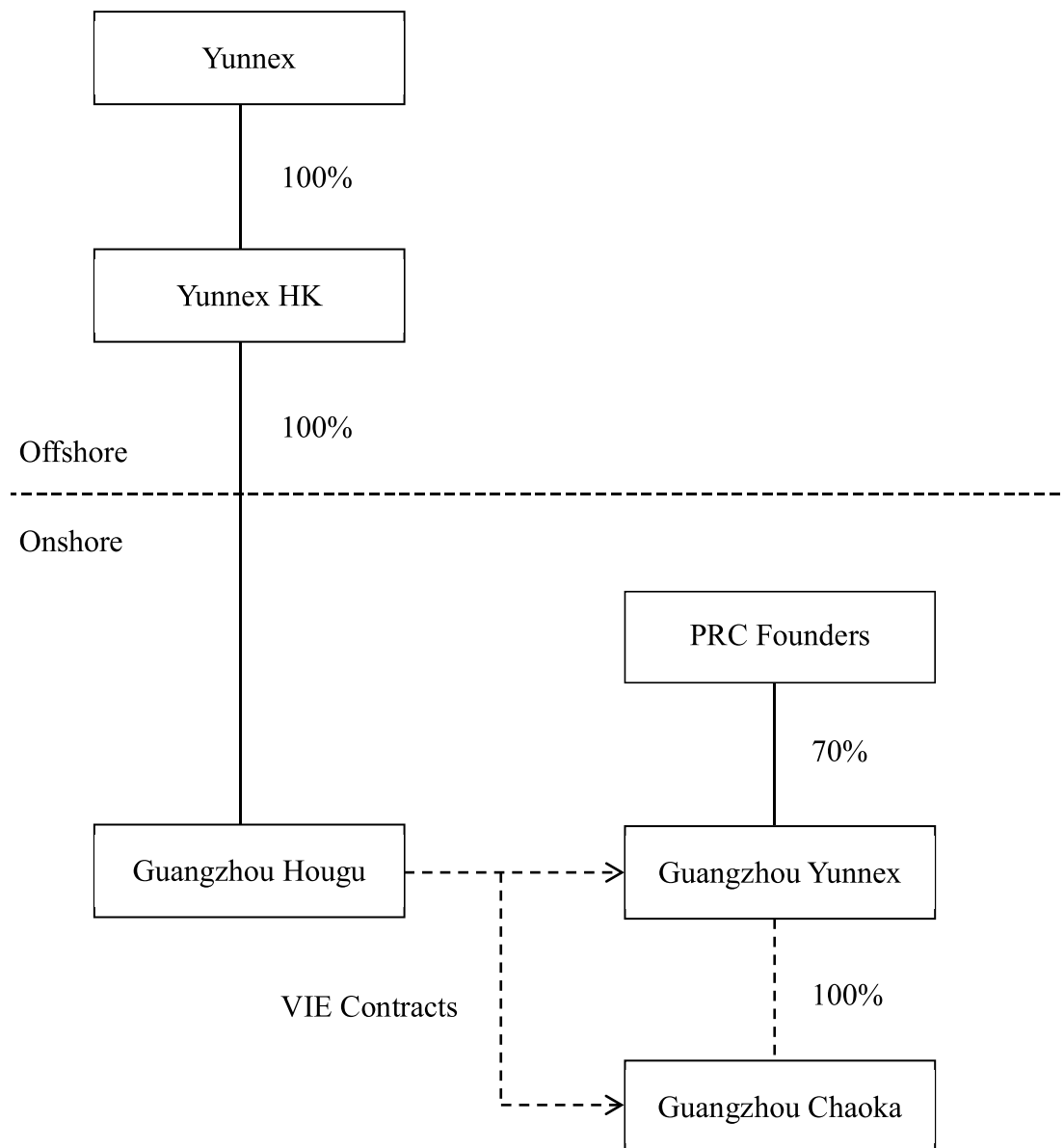
Guangzhou Chaoka operates Supercard (超卡) website and mobile app, which serve as an e-commerce platform connecting subscribers with local merchants whereby the merchants offer discounts or sales promotions to the subscribers so as to attract subscribers to purchase their products or services through the platform.

As the Yunnex Group is still in the development and promotion stage for its services and products, the Yunnex Group currently is running at a loss and has not yet achieved profitability.

To the best knowledge, information and belief of the Directors, having made all reasonable enquires, each of Yunnex, Yunnex HK, Guangzhou Hougu, Guangzhou Chaoka and Guangzhou Yunnex and their respective ultimate beneficial owners are Independent Third Parties.

Shareholding structure of the Yunnex Group

Set out below is the shareholding structure of the Yunnex Group:



INFORMATION RELATING TO THE VIE CONTRACTS

Reasons for use of the VIE Contracts

The Yunnex Group is principally engaged in the design, distribution, sale and/or operation of the software and hardware products of artificial intelligence and commercial service platform for offline merchants; and the design, distribution, sale and/or operation of the membership cards, membership system and commercial service platform for offline merchants in the PRC.

The Yunnex Group intends to engage in financial services, including payment services in the future. According to the PRC legal adviser to the Company, the provision of financial services, including payment services may be categorised as banking business, which is a restricted business for foreign investors pursuant to the Guidance Catalogue of Industries for Foreign Investment (2015 Revision) 《外商投資產業指導目錄(2015年修訂)》. Therefore, to comply with the applicable PRC laws and regulations, Guangzhou Hougu has entered into the VIE Contracts with Guangzhou Chaoka and Guangzhou Yunnex to enable the financial results, the entire economic benefits and the risks of the businesses of Guangzhou Chaoka and Guangzhou Yunnex to flow into Guangzhou Hougu and to enable Guangzhou Hougu to gain management control over the operation of Guangzhou Chaoka and Guangzhou Yunnex.

The PRC legal adviser to the Company is of the opinion that Guangzhou Chaoka and Guangzhou Yunnex have obtained the licences and permits that are essential to the operation of their business in the PRC.

The VIE Contracts

The details of the VIE Contracts entered between Guangzhou Hougu, Guangzhou Yunnex and the equity owners of Guangzhou Yunnex (the “**Equity Owners of Guangzhou Yunnex**”) are summarized as follows:

(i) 《獨家購買權合同》(exclusive purchase right agreement) dated 28 December 2015

Parties:

- (i) Guangzhou Hougu
- (ii) Equity Owners of Guangzhou Yunnex
- (iii) Guangzhou Yunnex

Subject:

the Equity Owners of Guangzhou Yunnex irrevocably grant exclusive share purchase options to Guangzhou Hougu which entitles Guangzhou Hougu or any person(s) designated by Guangzhou Hougu to purchase from the Equity Owners of Guangzhou Yunnex, when permitted by laws of the PRC, (i) all or any part of the Equity Owners of Guangzhou Yunnex's equity interest in Guangzhou Yunnex; and/or (ii) all or any part of the assets of Guangzhou Yunnex at an aggregate consideration of RMB1.00 or a minimum purchase price permitted by the then laws and regulations of the PRC. For the consideration received by the Equity Owners of Guangzhou Yunnex pursuant to the exercise of the option(s), such consideration will be used to offset the unpaid debts of Guangzhou Yunnex and the Equity Owners of Guangzhou Yunnex under the VIE Contracts and the remainder will be transferred to Guangzhou Hougu or any person(s) designated by Guangzhou Hougu for free. Guangzhou Hougu may exercise such option(s) at any time until it or the person(s) designated by it has acquired the entire equity interest or entire assets of Guangzhou Yunnex (whichever is later).

In addition, absent prior written consent from Guangzhou Hougu, the Equity Owners of Guangzhou Yunnex shall not, among other things, (i) transfer any of their equity interests in Guangzhou Yunnex nor create any pledge or any other security thereon, or (ii) approve, as shareholders of Guangzhou Yunnex, the increase or decrease in the registered capital of Guangzhou Yunnex or distribution of dividends to the shareholders of Guangzhou Yunnex.

(ii) 《獨家業務合作協議》(*exclusive business cooperation agreement*) dated 28 December 2015

Parties:

- (i) Guangzhou Hougu
- (ii) Guangzhou Yunnex

Subject:

Guangzhou Hougu shall provide Guangzhou Yunnex with exclusive management supports, technical services and consultancy services, including, among others, technical services, internet supports, business consulting, licensing of intellectual rights, leasing of equipment and office premises, market consulting, system integration, product development and system maintenance. Based on the amount of work and its commercial value, Guangzhou Hougu will issue quarterly bills to Guangzhou Yunnex and Guangzhou Yunnex shall pay to Guangzhou Hougu service fees in accordance with such bills. The service fees charged by Guangzhou Hougu shall be not less than 90% of the net income of Guangzhou Yunnex in the relevant quarter. Guangzhou Yunnex shall provide to the Guangzhou Hougu its annual financial report and all related operation records, business contracts and financial information within 15 days after the end of each financial year. In the event that Guangzhou Hougu has any queries on the financial information provided by Guangzhou Yunnex, Guangzhou Hougu may appoint a reputable independent auditor to conduct audit on Guangzhou Yunnex and Guangzhou Yunnex shall co-operate the auditor's work. Unless Guangzhou Hougu terminates this exclusive business cooperation agreement, this agreement shall remain in effect until Guangzhou Yunnex is dissolved in accordance with the laws of PRC.

(iii) 《股權質押合同》(equity pledge agreement) dated 28 December 2015

Parties:

- (i) Guangzhou Hougu
- (ii) Equity Owners of Guangzhou Yunnex
- (iii) Guangzhou Yunnex

Subject:

The Equity Owners of Guangzhou Yunnex agree to pledge all of their equity interests in Guangzhou Yunnex and any dividend derived from such equity interests to Guangzhou Hougu to secure the performance of all the contractual obligations and the payment of all fees (including the legal fees and the service fees under the exclusive business cooperation agreement), expenses and loss incurred, interest, liquidated damages, compensation, costs for enforcement under the VIE Contracts and any liabilities that Guangzhou Yunnex and the Equity Owners of Guangzhou Yunnex should bear in case that the VIE Contracts should become wholly or partially void for whatever reason. The term of pledge shall be consistent with the term of exclusive business cooperation agreement.

Absent prior written consent from Guangzhou Hougu, the Equity Owners of Guangzhou Yunnex shall not, among other things, (i) transfer any of their equity interests in Guangzhou Yunnex nor create any new pledge or any other security thereon, or (ii) procure Guangzhou Yunnex to issue any securities or create any securities on the assets or rights of Guangdong Yunnex.

(iv) 《授權委託協議》(*power of attorney*) dated 28 December 2015

Parties:

- (i) Guangzhou Hougu
- (ii) Equity Owners of Guangzhou Yunnex

Subject:

The Equity Owners of Guangzhou Yunnex irrevocably agree to entrust to Guangzhou Hougu exclusively their rights as shareholders of Guangzhou Yunnex, including (i) attend the shareholders' meetings of Guangzhou Yunnex; (ii) exercising the voting rights or other rights as the shareholders of Guangzhou Yunnex under the articles of association of Guangzhou Yunnex and laws of the PRC, including but not limited to sell, lend, transfer, assign, pledge, gift, re-guarantee and creating trust on the equity interests of Guangzhou Yunnex, or using equity interests of Guangzhou Yunnex to invest in other entities, or dispose of all or part of the equity interests in Guangzhou Yunnex; and (iii) representing the Equity Owners of Guangzhou Yunnex to appoint the legal representative (chairman), director, supervisor, chief executive officer or other senior management of Guangzhou Yunnex. The entrustment under this power of attorney shall be irrevocable and continue in force as long as the Equity Owners of Guangzhou Yunnex remain to be the equity owners of Guangzhou Yunnex.

On 28 December 2015, Guangzhou Hougu, Guangzhou Chaoka and its equity owners entered into VIE Contracts on similar terms with the VIE Contracts between Guangzhou Hougu, Guangzhou Yunnex and the Equity Owners of Guangzhou Yunnex as disclosed above.

Compliance of the VIE Contracts with laws and regulations of the PRC

Subject to the disclosure made in the paragraph headed "Risk factors in relation to the VIE Contracts" below, the PRC Legal Adviser is of the opinion that the execution, delivery and performance of each of the VIE Contracts do not violate any applicable PRC laws and regulations in all material aspects and that each of the VIE Contracts entered into by the Yunnex Group are legally binding on and enforceable against each party of each of the VIE Contracts in accordance with its terms and provisions under laws and regulations of the PRC.

The Directors therefore believe that save as disclosed, the VIE Contracts are enforceable under the relevant laws and regulations in the PRC, and that the VIE Contracts will provide a mechanism that enables Yunnex, through Yunnex HK and Guangzhou Hougu, to exercise effective control over Guangzhou Chaoka and Guangzhou Yunnex.

Dispute Resolutions

The VIE Contracts are governed by and constructed in accordance with the laws of the PRC and contain a provision for resolving disputes by arbitration at China International Economic and Trade Arbitration Commission in accordance with its then prevailing arbitration rules.

RISK FACTORS IN RELATION TO THE VIE CONTRACTS

There is no assurance that the VIE Contracts could comply with future changes in the PRC foreign investment legal regime and the PRC government may determine that the VIE Contracts do not comply with applicable regulations

The PRC legal adviser to the Company has advised that the relevant PRC regulatory authorities may have different opinions on the interpretation of the relevant regulations and would not agree that the VIE Contracts comply with the current laws, regulations or rules of the PRC, and the authorities may deny the validity, effectiveness and enforceability of the VIE Contracts. If the PRC regulatory authorities find that the VIE Contracts that establish the structure for operating the Yunnex Group's PRC business do not comply with the laws and regulations of the PRC, or if these regulations or their interpretations change in the future, Yunnex could be forced to relinquish its interests in those operations and hence Ajisen Investments would suffer loss in its investment.

The VIE Contracts may not be as effective as direct ownership in providing control over the PRC operating companies

Yunnex relies on contractual arrangements under the VIE Contracts with Guangzhou Chaoka and Guangzhou Yunnex to operate its PRC business. These contractual arrangements may not be as effective in providing Yunnex with control over Guangzhou Chaoka and Guangzhou Yunnex as direct ownership. If Yunnex has direct ownership of Guangzhou Chaoka and Guangzhou Yunnex, Yunnex will be able to exercise its rights as a shareholder to effect changes in the board of directors of each of Guangzhou Chaoka and Guangzhou Yunnex, which in turn could effect changes at the management level. However, under the VIE Contracts, Yunnex relies on the performance by the equity owners of Guangzhou Chaoka and Guangzhou Yunnex of their obligations under the VIE Contracts to exercise control over Guangzhou Chaoka and Guangzhou Yunnex. Therefore, the VIE Contracts may not be as effective in ensuring Yunnex's control over its operation in PRC as direct ownership would be.

Guangzhou Chaoka and Guangzhou Yunnex may have difficulties in transferring its onshore profits or funds to offshore

Due to the foreign exchange controls in the PRC, Guangzhou Chaoka and Guangzhou Yunnex may have difficulties in transferring its onshore profits or funds to offshore, and therefore adversely affecting the profitability of Yunnex, and thus the returns to its shareholders.

The contractual arrangements may be subject to scrutiny of the PRC tax authorities and transfer pricing adjustments and additional tax may be imposed

Under the laws and regulations of PRC, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year when the transactions are conducted. The Yunnex Group could face material adverse tax consequences if the PRC tax authorities determine that the contractual arrangements under the VIE Contracts do not

represent arm's length negotiations and consequently adjust the income and expenses of the PRC members of the Yunnex Group for PRC tax purposes in the form of a transfer pricing adjustment. A transfer pricing adjustment could adversely affect the Yunnex Group's financial position by increasing the relevant tax liabilities of its PRC members. In addition, the PRC tax authorities may impose late payment fees and other penalties to the PRC members of the Yunnex Group for any unpaid taxes. As a result, any transfer pricing adjustment could have a material adverse effect on the Yunnex Group's financial position and results of operations.

The equity owners of Guangzhou Chaoka and Guangzhou Yunnex may potentially have a conflict of interests with Yunnex

Yunnex's control over Guangzhou Chaoka and Guangzhou Yunnex is based on the contractual arrangement under the VIE Contracts. The equity owners of Guangzhou Chaoka and Guangzhou Yunnex may potentially have a conflict of interest with Yunnex, and they may not act in the best interests of Yunnex or may not perform their obligations under the VIE Contracts.

The Yunnex Group does not have any insurance which covers the risks relating to the VIE Contracts and the transactions contemplated thereunder

The Yunnex Group has not purchased any insurance to cover the risks relating to the VIE Contracts. If any event affecting the enforceability of the VIE Contracts or the operation of VIE Contracts arises in the future, the financial and operation results of the Yunnex Group may be adversely affected.

INFORMATION RELATING TO A&O

As at the date of this announcement, A&O is a company wholly and beneficially owned by Mr. Jason Poon, an executive Director, and hence A&O is a connected person to the Company. Accordingly, the Share Purchase Agreement together with the Shareholders' Agreement constitute connected transaction of the Company.

INFORMATION RELATING TO THE COMPANY

The Company is an investment holding company. The Group is a FCR chain operator selling Japanese ramen and Japanese-style dishes in Hong Kong and China under the "Ajisen" brand name.

REASONS FOR THE TRANSACTION

The Group has been looking for investment opportunities to broaden the source of income and eventually to enhance the value of the shareholders of the Company. The Directors believe that there are potentials for development of the business that the Yunnex Group is engaged in the PRC and the investment in Yunnex would bring positive returns to the Group.

The terms and conditions of the Share Purchase Agreement and the Shareholders' Agreement were determined as a result of arm's length negotiations between the parties to the agreements. The Directors (including the independent non-executive Directors) are of the view that the Share Purchase Agreement and the Shareholders' Agreement are made on arm's length basis and on normal commercial terms, and fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Since certain applicable percentage ratios as defined under Rule 14.07 of the Listing Rules exceed 0.1% but fall below 5%, the entering into of the Share Purchase Agreement and the Shareholders' Agreement are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Apart from Mr. Jason Poon, none of the Directors has a material interest in the entering into of the Share Purchase Agreement and the Shareholders' Agreement. However, in view of the relationship between Mr. Jason Poon and Ms. Poon Wai, both of them abstained from voting at the Board meeting for approval of the entering into of the Share Purchase Agreement and the Shareholders' Agreement.

DEFINITIONS

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

“A&O”	Apple & Orange Investment Limited, a company incorporated in the British Virgin Islands and wholly and beneficially owned by Mr. Jason Poon, a connected person of the Company
“Ajisen Investments”	Ajisen Investments Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Board”	the board of directors of the Company
“Company”	Ajisen (China) Holdings Limited, a company incorporated in the Cayman Islands and the issued shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the purchase of the series B preferred shares in accordance with the Share Purchase Agreement
“Completion Date”	the date for completion of the purchase and sale of the series B preferred shares in accordance with the Share Purchase Agreement

“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Founder Party(ies)”	the founder members of Yunnex, including PRC Founders and PRC Founders’ Companies, the particulars of which are set out under the Share Purchase Agreement
“FCR”	fast casual restaurant
“Group”	the Company and its subsidiaries
“Guangzhou Chaoka”	廣州超卡信息科技有限公司 (Guangzhou Chaoka Information Technology Co., Ltd.*), a company incorporated in the PRC, which has entered into the VIE Contracts with Guangzhou Hougu
“Guangzhou Hougu”	廣州厚谷信息科技有限公司 (Guangzhou Hougu Information Technology Co., Ltd.*), a wholly foreign owned enterprise established in the PRC and a wholly-owned subsidiary of Yunnex HK, which has entered into the VIE Contracts with Guangzhou Yunnex and Guangzhou Chaoka respectively
“Guangzhou Yunnex”	廣州雲移信息科技有限公司 (Guangzhou Yunnex Information Technology Co., Ltd.*), a company established in the PRC, which has entered into the VIE Contracts with Guangzhou Hougu
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected persons
“Major Subsidiaries”	collectively, Yunnex HK, Guangzhou Hougu, Guangzhou Yunnex and Guangzhou Chaoka
“Mr. Jason Poon”	Mr. Poon Ka Man, Jason, an executive Director and brother of Ms. Poon Wai (who is the chairman of the Company and an executive Director).
“Listing Rule”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region, and Taiwan
“PRC Founders”	three PRC residents who found the Yunnex Group

“PRC Founders’ Companies”	three investment holding companies incorporated in the British Virgin Islands which are wholly owned by the three PRC Founders respectively
“Preferred Shares”	collectively, the series seed preferred shares, series A-1 preferred shares, series A-2 preferred shares and series B preferred shares, of par value US\$0.00002 each, in the share capital of Yunnex
“Preferred Shareholder”	the holders of the Preferred Shares
“RMB”	Renminbi, the lawful currency of the PRC
“Series A Investors”	subscribers of Yunnex’s series A preferred shares as stipulated in the Share Purchase Agreement and the Shareholders’ Agreement
“Series B Investors”	collectively, Ajisen Investments, A&O and the other subscribers of Yunnex’s series B preferred shares as stipulated in the Share Purchase Agreement and the Shareholders’ Agreement
“Share Purchase Agreement”	the share purchase agreement entered into between the Series B Investors (including Ajisen Investments and A&O), Yunnex, the Founder Parties, and the Major Subsidiaries
“Shareholders’ Agreement”	the shareholders’ agreement relating to Yunnex to be entered into between Yunnex, the Founder Parties, the Series A Investors, the Series B Investors (including Ajisen Investments and A&O) and the Major Subsidiaries
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“VIE Contracts”	the structured contracts that Guangzhou Hougu has entered into with Guangzhou Chaoka and Guangzhou Yunnex respectively, with the purposes of enabling the financial results, the entire economic benefits and the risks of the businesses of Guangzhou Chaoka and Guangzhou Yunnex to flow into Guangzhou Hougu and enabling Guangzhou Hougu to gain management control over the operation of Guangzhou Chaoka and Guangzhou Yunnex; those contracts include, among others, 《獨家購買權合同》 (exclusive purchase right agreement), 《獨家業務合作協議》 (exclusive business co-operation agreement), 《股權質押合同》 (equity pledge agreement) and 《授權委託協議》 (power of attorney), details of which are set out in the paragraph headed “Information relating to the VIE Contracts” in this announcement
“US\$”	United States dollars, the lawful currency of the United States of America
“Yunnex”	Yunnex Inc., an exempted company incorporated in the Cayman Islands, the authorised share capital of which is divided into different classes of shares, including ordinary shares and the Preferred Shares, of par value US\$0.00002 each
“Yunnex Group”	Yunnex and the Major Subsidiaries
“Yunnex HK”	Yunnex Hong Kong Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Yunnex

By order of the Board
Ajisen (China) Holdings Limited
Poon Wai
Chairman

Hong Kong, 4 August 2016

As at the date of this announcement, the Board comprises Ms. Poon Wai and Mr. Poon Ka Man, Jason as executive Directors; Mr. Katsuaki Shigemitsu as non-executive Director; and Mr. Lo Peter, Mr. Jen Shek Voon, and Mr. Wang Jincheng as independent non-executive Directors.

** The English name is a translation of its Chinese name and is included for identification purposes only.*