

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.



MAXNERVA
雲智匯科技服務

MAXNERVA TECHNOLOGY SERVICES LIMITED

雲智匯科技服務有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1037)

CONTINUING CONNECTED TRANSACTION

THE PROCUREMENT FRAMEWORK AGREEMENT

The Board announces that on 24 June 2016 (after trading hours), the Company has entered into the Procurement Framework Agreement with InFocus Corporation, pursuant to which InFocus Corporation has agreed to supply the InFocus Products to the Company.

LISTING RULES IMPLICATION

As at the date of this announcement, InFocus Corporation is effectively owned as to 69.93% by Mr. Hui, who is an executive Director. As such, InFocus Corporation is a 30%-controlled company of Mr. Hui and hence, an associate of Mr. Hui and a connected person of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the transactions contemplated under the Procurement Framework Agreement are more than 0.1% but less than 5%, the Procurement Framework Agreement is subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

PRINCIPAL TERMS OF THE PROCUREMENT FRAMEWORK AGREEMENT

The following sets forth the principal terms of the Procurement Framework Agreement:

- Date: 24 June 2016 (after trading hours)
- Parties: the Company; and
InFocus Corporation
- Terms: A term of three years from 24 June 2016 to 23 June 2019
- Nature of transactions: InFocus Corporation has agreed to supply the InFocus Products to the Company. The InFocus Products supplied by InFocus Corporation to the Company will be used by the Company for the provision of its system integration service and in the smart solution projects of the Group for InFocus Corporation's prior approved list of companies within Hong Kong, Taiwan, PRC and Japan.
- Pricing basis: The prices for each purchase order will be arrived at after arm's length negotiations, primarily with reference to the price list established by InFocus Corporation from time to time. Further, as part of the Company's internal control policy to ensure that the terms and prices offered to the Group shall be no less favourable than those offered to the Group by independent third party for the same or similar type of ancillary equipment and parts and on normal commercial terms, the Company will take into account the purchase price offered by other independent third parties for the same or similar products.
- Payment terms: Payments for the InFocus Products shall be made by the Company within 30 days after receiving an invoice from InFocus Corporation.
- Governing law: Laws of the State of Oregon, the US

Proposed annual caps

The table below sets out the proposed annual caps for the amount payable by the Company to InFocus Corporation pursuant to the Procurement Framework Agreement for each of the three financial years ending 31 March 2017, 2018 and 2019:

Financial Year	Proposed annual caps (HK\$)
Financial year ending 31 March 2017	17,800,000
Financial year ending 31 March 2018	17,800,000
Financial year ending 31 March 2019	17,800,000

BASIS OF DETERMINATION OF THE PROPOSED ANNUAL CAPS

InFocus Corporation is one of the selected suppliers of the Group for projectors, touch displays, touchscreens, tablets, and peripherals. InFocus Products are expected to be used by the Group for the provision of its system integration service and in the smart solution projects of the Group. Hence, the proposed annual caps are determined primarily based on (i) our estimated demand for the InFocus Products; and (ii) our expected contract value of our system integration service and the smart solution projects. The Group has been in the course of developing and expanding its system integration service and smart solution projects since the fourth quarter of 2015, historically the purchase of the InFocus Products by the Group amounted to approximately HK\$1.5 million for the year ended 31 March 2016.

The Shareholders should note that the proposed annual caps represent the best estimate by the Directors of the amount of the relevant transactions based on the information currently available. Such caps bear no direct relationship to, nor should not be taken to have any direct bearing to, the Group's financial or potential financial performance.

INFORMATION ABOUT THE PARTIES

The Group is principally engaged in manufacturing electronic products and provision of system integration service and smart solutions.

InFocus Corporation is a private limited liability company incorporated and headquartered in the US. InFocus Corporation and its subsidiaries provide projectors, large-format touch displays, touchscreens, tablets and peripherals. It also develops software and offers video calling services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PROCUREMENT FRAMEWORK AGREEMENT

The Procurement Framework Agreement allows the Group to maintain a stable source of supplies for interactive display products and software, which are equipment and parts that could be used by the Group for the provision of its system integration service and in the smart solution projects of the Group.

The Board (including the independent non-executive Directors) considers it beneficial to the Group to conduct the continuing connected transactions contemplated under the Procurement Framework Agreement given that they are in line with the Group’s ordinary and usual course of business. The Board (including the independent non-executive Directors) also considers that the Procurement Framework Agreement and the respective proposed annual caps thereof have been entered into/ arrived at (a) in the ordinary and usual course of business of the Company; (b) on normal commercial terms; and (c) on terms that are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, InFocus Corporation is effectively owned as to 69.93% by Mr. Hui, who is an executive Director. As such, InFocus Corporation is a 30%-controlled company of Mr. Hui and hence, an associate of Mr. Hui and a connected person of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the transactions contemplated under the Procurement Framework Agreement are more than 0.1% but less than 5%, the Procurement Framework Agreement is subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders’ approval requirement under Rule 14A.76(2) of the Listing Rules.

As Mr. Hui has interests in InFocus Corporation, he has abstained from voting on the Board resolution with respect to the approval of the Procurement Framework Agreement. Save for Mr. Hui, none of the Directors has any material interest in the Procurement Framework Agreement or is required to abstain from voting on the relevant Board resolutions to approve the same.

DEFINITIONS USED IN THIS ANNOUNCEMENT

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

“30%-controlled company”	has the meaning ascribed thereto under the Listing Rules
“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Maxnerva Technology Services Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“InFocus Corporation”	InFocus Corporation, a company incorporated in the US with limited liability
“InFocus Products”	Interactive display products, related accessories and software to be supplied by InFocus Corporation to the Company pursuant to the Procurement Framework Agreement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Hui”	Mr. HUI Lap Shun, John, the Company’s executive Director
“Procurement Framework Agreement”	the agreement dated 24 June 2016 entered into between the Company and InFocus Corporation
“PRC”	The People’s Republic of China and for the purpose of this announcement, shall exclude Hong Kong and Taiwan
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“the US”	The United States of America
“%”	per cent

By order of the Board
Maxnerva Technology Services Limited
HUI LAP SHUN, JOHN
Chairman

Hong Kong, 24 June 2016

As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Hui Lap Shun John, Mr. Chien Yi-Pin Mark, Mr. Sung Mahn (Sam) Baker, Mr. Tse Tik Yang Denis, Mr. Ryu Young Sang James, and Mr. Fung Wai Ching, and three independent non-executive Directors, namely Mr. Tang Tin Lok Stephen, Mr. Kan Ji Ran Laurie and Mr. Chen Timothy.