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## **DISCLOSEABLE TRANSACTION**

The Board announces that on 23 June 2017, the Subscriber, an indirect wholly-owned subsidiary of the Company, entered into the Subscription Agreement, pursuant to which the Subscriber agreed to subscribe for 6,480,000 Subscription Shares for US\$6,480,000 (equivalent to approximately HK\$50,544,000).

As the applicable percentage ratios under Rule 14.07 in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement set out in Chapter 14 of the Listing Rules.

### **THE SUBSCRIPTION AGREEMENT**

#### **Date**

23 June 2017

#### **Parties**

- (1) the Subscriber, an indirect wholly-owned subsidiary of the Company;
- (2) the Other Subscribers;
- (3) the Management Subscribers; and
- (4) the Target Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Other Subscribers, the Management Subscribers and the Target Company and their respective ultimate shareholders (in the case of the relevant subscriber is a

company) is independent of and not connected with the Company and its connected persons.

**Subject matter**

Before the Subscription transaction, the entire issued share capital of the Target Company is US\$100 and held by the sole founder. Pursuant to the terms of the Subscription Agreement, the Subscriber will subscribe for 6,480,000 new shares in the Target Company, the Other Subscribers will subscribe for an aggregate of 7,520,000 new shares in the Target Company, and the Management Subscribers will subscribe for 1,499,900 new shares in the Target Company.

The Subscription Shares represent about 41.81% of the total number of shares of the Target Company in issue as enlarged by the Subscription, the Other Subscriptions and the Management Subscriptions.

**Consideration**

The consideration payable by the Subscriber for the Subscription Shares is US\$6,480,000 (equivalent to approximately HK\$50,544,000), which was determined by the parties after arm’s length negotiations taking into consideration the business prospect and the anticipated fund requirement of the Target Company.

The consideration will be satisfied by the internal resources generated from the Group’s securities investment business and will be payable by the Subscriber according to the payment schedule below:

	<u>Amount</u>	<u>Payment date</u>
First payment	US\$3,972,000	on or before 15 July 2017
Second payment	US\$1,254,000	on or before 31 August 2017
Third payment	US\$1,254,000	on or before 30 November 2017
<b>Total</b>	<b>US\$6,480,000</b>	

**REASONS FOR THE SUBSCRIPTION**

The Group is principally engaged in the business of manufacture and trade of garment products and securities investment.

The Group has been seeking opportunity for diversification from its traditional business to broaden its income sources. The Target Company is a risk management solutions provider managed by a team of experienced security professionals. In the currently challenging and high-risk business environment, businesses are beginning to recognise the importance of security and risk management, and the security industry is expected to experience rapid growth in the coming years. The Subscription will enable the Company to take up a substantial interest in a rapidly growing company in a fast developing industry, which the Directors consider it to be a good investment opportunity that could be beneficial to the Company. As the Subscription was conducted after arm’s length negotiations and on normal commercial terms, the Directors are of the view that the Subscription is in the interest of the Company and the Shareholders as a whole.

## INFORMATION ON THE TARGET COMPANY

The Target Company is a newly established global risk management company that delivers comprehensive, tailored and industry-leading risk management, advisory, crisis management and cyber security services to businesses, governments and organisations worldwide. The Target Company was set up by a team of experienced security experts.

As the Target Company was only incorporated on 6 January 2017, it does not have any financial results for the two years immediately preceding the date of the transaction. The financial information of the Target Company as extracted from its unaudited management account is summarised below:

	From the date of incorporation to 31 May 2017 (Unaudited)	<u>HK\$</u>
Net loss before taxation		8,720,127
Net loss after taxation		8,720,127

The unaudited net liabilities value of the Target Company as at 31 May 2017 was HK\$8,719,349.

Upon completion of the Subscription, the shareholding structure of the Target Company will be as follows:

	<u>No of shares held</u>	<u>Approximate % of Shareholding</u>
Subscriber	6,480,000	41.81%
Other Subscribers	7,520,000	48.51%
Management Subscribers	1,500,000	9.68%
<b>Total</b>	<b>15,500,000</b>	<b>100%</b>

Upon completion of the Subscription, the Group will be interested in approximate 41.81% of the Target Company and has the right to appoint two out of five directors of the Target Company. Given that the Group will not be holding a majority interest in the Target Company and will not have control of its board, the Target Company will not become a subsidiary of the Company and the financial results of the Target Company will not be consolidated with the results of the Company.

## IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios under Rule 14.07 in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement set out in Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors of the Company;
“Company”	Carry Wealth Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Management Subscribers”	three senior management of the Target Company who will subscribe for shares in the Target Company;
“Management Subscriptions”	an aggregate of 1,499,900 shares in the Target Company to be subscribed by the Management Subscribers under the Subscription Agreement;
“Other Subscribers”	four independent subscribers for shares in the Target Company;
“Other Subscriptions”	an aggregate of 7,520,000 shares in the Target Company to be subscribed by the Other Subscribers under the Subscription Agreement;
“PRC”	the People’s Republic of China;
“Shareholder(s)”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Carry Wealth Limited, a company incorporated in Hong Kong, an indirect wholly-owned subsidiary of the Company;
“Subscription”	the subscription of 6,480,000 shares in the Target Company by the Subscriber pursuant to the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 23 June 2017 between the Subscriber, the Other Subscribers, the Management

	Subscribers and the Target Company;
“Subscription Shares”	6,480,000 shares in the Target Company to be subscribed by the Subscriber;
“Target Company”	United Security Solutions International Limited, a company incorporated in Hong Kong;
“US\$”	United States dollar, the lawful currency of the United States of America; and
“%”	per cent.

By order of the Board  
**Carry Wealth Holdings Limited**  
**Li Haifeng**  
*Chairman*

Hong Kong, 23 June 2017

*As at the date of this announcement, the Board of Directors of the Company comprises Mr Li Haifeng (Chairman and Chief Executive Officer), Mr Tang Chak Lam, Charlie, being executive directors; Mr Lee Sheng Kuang, James, being non-executive director and Mr Liu Run, Mr Yau Wing Yiu and Mr Zhang Zhenyi, being independent non-executive directors.*