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## **DISCLOSEABLE TRANSACTION**

### **VARIATION TO THE TERMS OF THE SUBSCRIPTION AGREEMENT**

The Board announces that on 12 January 2018, the parties to the Subscription Agreement entered into the Supplemental Agreement under which the parties agreed to adjust the total number of new shares to be allotted and issued by the Target Company under the Subscription from 15,499,900 shares to 9,895,294 shares, with a corresponding reduction in the subscription consideration from US\$15,499,900 to US\$9,895,294.

As a result of such adjustments, the adjusted number of Subscription Shares to be subscribed by the Subscriber, an indirect wholly-owned subsidiary of the Company, will be reduced from 6,480,000 shares to 4,101,615 shares in the Target Company and the adjusted consideration payable by the Company for the adjusted number of Subscription Shares will be US\$4,101,615 (equivalent to approximately HK\$31,992,597).

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules.

### **BACKGROUND**

Reference is made to the announcements of the Company dated 23 June 2017 and 29 June 2017 (collectively referred to herein as the “**Announcements**”) in relation to the Subscription, where, among others, the Subscriber, an indirect wholly-owned subsidiary of the Company, agreed to subscribe for 6,480,000 Subscription Shares, representing approximately 41.81% of the enlarged issued share capital of the Target Company, for US\$6,480,000. 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.

Unless otherwise provided, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

On 12 January 2018, the parties to the Subscription Agreement entered into a supplemental agreement (the “**Supplemental Agreement**”) to the Subscription Agreement to amend certain terms of the Subscription Agreement. The salient points of the Supplemental Agreement are summarised below:

## **THE SUPPLEMENTAL AGREEMENT**

### **Date**

12 January 2018

### **Parties**

- (1) the Subscriber, an indirect wholly-owned subsidiary of the Company;
- (2) the Other Subscribers, who are four independent subscribers;
- (3) the Management Subscribers, who are three senior management of the Target Company;  
and
- (4) the Target Company.

### **Amendments to the terms of the Subscription Agreement**

#### *Adjustment to the number of Subscription Shares to be subscribed*

Under the terms of the Supplemental Agreement, the parties agreed to adjust the total number of new shares to be allotted and issued by the Target Company under the Subscription from 15,499,900 shares to 9,895,294 shares, and a corresponding reduction in the subscription consideration from US\$15,499,900 to US\$9,895,294.

Following the adjustments, the shareholding structure of the Target Company will be as follows:

	<b>Original terms of the Subscription Agreement</b>		<b>Adjusted under the Supplemental Agreement</b>	
	No. of shares held	Approximate % of shareholding	No. of shares held	Approximate % of shareholding
Subscriber	6,480,000	41.81%	4,101,615	41.45%
Other Subscribers	7,520,000	48.51%	4,844,385	48.95%
Management Subscribers	1,500,000	9.68%	949,394	9.60%
<b>Total</b>	<b>15,500,000</b>	<b>100%</b>	<b>9,895,394</b>	<b>100%</b>

*Note: One of the Management Subscribers holds 100 shares prior to the Subscription.*

#### *Adjustment to consideration and payment terms*

Under the terms of the Supplemental Agreement, the consideration payable by the Subscriber for the adjusted number of Subscription Shares will be revised from US\$6,480,000 to US\$4,101,615 (equivalent to approximately HK\$31,992,597), which was determined by the parties after arm’s length negotiations taking into consideration the anticipated fund

requirement of the Target Company.

The adjusted consideration will be payable by the Subscriber in accordance with the following revised schedule:

	<b>Original payment terms under the Subscription Agreement</b>		<b>Revised payment terms under the Supplemental Agreement</b>	
	<b>Amount</b>	<b>Payment date</b>	<b>Amount</b>	<b>Payment date</b>
First payment	US\$3,972,000	on or before 15 July 2017	US\$3,972,000	Paid on 13 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	US\$129,615	On or before 19 January 2018
<b>Total</b>	<b><u>US\$6,480,000</u></b>		<b><u>US\$4,101,615</u></b>	

### **Amendments to the use of proceeds under the Subscription**

The fund raised by the Target Company under the Subscription Agreement as amended by the Supplemental Agreement is US\$9,895,294, which has been/will be applied by the Target Company as follows:

- as to US\$7 million has been used for the acquisition of a company which specialises in security and crisis management business for 15 years with networks across Australia, Africa, Europe and the Middle East (the “**Security and Crisis Management Subsidiary**”). The acquisition had been completed as at the date of this announcement;
- as to approximately US\$2 million will be allocated for capacity and team building in the development of the security and crisis management services in the PRC and Asia Pacific region, which will include the setting up of offices, hiring of employees and purchase of armed vehicles; and
- as to approximately US\$0.9 million will be applied for the general working capital of the Target Company.

### **REASONS FOR THE SUPPLEMENTAL AGREEMENT**

Following the completion of the acquisition of the Security and Crisis Management Subsidiary, the Target Company has a solid platform to offer security and crisis management services in PRC and the Asia Pacific region. Coupled with the “One Belt One Road” China outbound initiatives involving many PRC corporations investing overseas, including in areas with high security risks, it provides significant development potential for the Target Company to offer security services to protect client’s premises, assets as well as the provision of crisis management services. The parties consider that it would be beneficial for the Target Company to focus on the security and crisis management business at this early stage of development and putting less emphasis on the establishment of a risk advisory and cybersecurity platform as well as the provision of related services. In this connection, the Supplemental Agreement was entered into to reflect the current business focus of the Target Company and its funding needs. As the Supplemental Agreement was entered after arm’s length negotiations and on normal commercial terms, the Directors are of the view that it is in the interest of the Company and the Shareholders as a whole.

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

Hong Kong, 12 January 2018

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