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**CTEH INC.**

**加達控股有限公司**

*(Incorporated in Ontario, Canada and continued in the Cayman Islands with limited liability)*

**(Stock Code: 1620)**

**DISCLOSEABLE TRANSACTION  
SUBSCRIPTION FOR SHARES IN THE IPO OF  
XINYI ENERGY HOLDINGS LIMITED  
AND  
POSSIBLE FURTHER ACQUISITIONS IN THE OPEN MARKET**

**THE TRANSACTION**

On May 17, 2019, the Company placed the Order to subscribe for the Allocated Shares at the Offer Price in the IPO of Xinyi Energy to the extent of the maximum amount payable of HK\$15,000,000, exclusive of the brokerage, the Stock Exchange trading fee and the SFC transaction levy payable in connection with the Transaction.

**POSSIBLE FURTHER ACQUISITIONS**

In order to increase and/or maintain its level of shareholding interests in Xinyi Energy, the Company may further acquire Xinyi Shares at such time(s) and price(s) as the Directors may determine appropriate for the period of three months from the listing date of the Xinyi Shares. The estimated aggregate consideration to be payable for all Possible Acquisitions shall not exceed HK\$8,000,000, irrespective of whether the final amount of subscription money payable by the Company under the Transaction is HK\$15,000,000. Such consideration was determined with reference to the maximum amount of funding presently expected to be available for such transactions.

## **LISTING RULES IMPLICATIONS**

The Transaction and the Possible Acquisitions are required to be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios for the Transaction and the Possible Acquisitions in aggregate exceeds 5% but are all less than 25%, the Transaction, the Possible Acquisitions and the transactions contemplated thereunder constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **THE TRANSACTION**

The Board is pleased to announce that on May 17, 2019, the Company placed the Order to subscribe for the Allocated Shares at the Offer Price in the IPO of Xinyi Energy to the extent of the maximum amount payable of HK\$15,000,000, exclusive of the brokerage, the Stock Exchange trading fee and the SFC transaction levy payable in connection with the Transaction.

- Parties**
- (1) Kingsway Financial Services Group Limited as placing agent, being one of the joint global coordinators, joint bookrunners and joint lead managers of the IPO of Xinyi Energy;
  - (2) the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Kingsway Financial Services Group Limited and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Order is subject to final allocation of the Xinyi Shares in the IPO of Xinyi Energy and the Company may or may not be allocated with any Xinyi Shares in the IPO. The Company will issue a further announcement when the number of the Allocated Shares and the final amount of subscription money payable by the Company has been determined.

## **The Offer Price**

The Offer Price shall be at a range of HK\$1.89 to HK\$2.35 per Xinyi Share. The total Offer Price payable by the Company shall be determined by multiplying the Allocated Shares and the final Offer Price plus SFC transaction levy at 0.0027%, the Stock Exchange trading fee at 0.005% and brokerage commission at 1%, subject to final allocation of the Xinyi Shares in the IPO of Xinyi Energy.

The Group will fund the Transaction from its internal resources without utilising the net proceeds from the listing of the shares of the Company on the Stock Exchange. The investment in Xinyi Energy will be treated as the Group's financial assets at fair value through profit or loss and the financials results of Xinyi Energy will not be consolidated to those of the Company.

### **Completion of the Transaction**

According to the IPO timetable as disclosed in the prospectus of Xinyi Energy, the expected price determination date of the Offer Price is May 20, 2019 and the expected listing date of the Xinyi Shares is May 28, 2019. Completion of the Transaction and the payment of subscription monies shall be on or before the first day when the Xinyi Shares are listed and traded on the Stock Exchange, which is expected to take place on May 28, 2019. There are no restrictions on the subsequent sales of the Xinyi Shares subscribed by the Company.

### **POSSIBLE FURTHER ACQUISITIONS**

In order to increase and/or maintain its level of shareholding interests in Xinyi Energy, the Company may further acquire Xinyi Shares in the open market through the trading system of the Stock Exchange at such time(s) and price(s) as the Directors may determine appropriate for a period of three months from the listing date of the Xinyi Shares.

### **Pricing of the Xinyi Shares to be acquired**

The consideration of each Xinyi Share to be acquired under the Possible Acquisitions shall not exceed 110% of the higher of (i) the closing price for Xinyi Shares on the last trading day prior to an acquisition; and (ii) the average price of Xinyi Shares last acquired by the Company on a trading day prior to an acquisition.

### **Consideration of the Possible Acquisitions**

The estimated aggregate consideration to be payable for all acquisitions of Xinyi Shares under the Possible Acquisitions will not exceed HK\$8,000,000, irrespective of whether the final amount of subscription money payable by the Company under the Transaction is HK\$15,000,000. Such consideration was determined with reference to the maximum amount of funding presently expected to be available for such transactions. The actual consideration payable by the Company under the Possible Acquisitions may be lower than such ceiling having regard to the then prevailing market price of the Xinyi Shares and financial position of the Group that the Directors may consider appropriate from time to time. The consideration payable under the Possible Acquisitions will be satisfied in cash and financed by the Group's internal resources without utilising the net proceeds from the listing of the shares of Company on the Stock Exchange.

## **Scope of authority of the Directors in acquiring Xinyi Shares**

The Directors will determine the number and price of Xinyi Shares to be acquired on each occasion and the timing of each acquisition under the Possible Acquisitions, subject to the following:

- (i) no further Xinyi Shares shall be acquired when the Company is directly or indirectly interested in 5% of the issued share capital of Xinyi Energy from time to time;
- (ii) no acquisition under the Possible Acquisitions can be made if, when aggregated with the the Transaction and any other transaction pursuant to Rule 14.22 of the Listing Rules, such acquisition will constitute a major transaction of the Company pursuant to Chapter 14 of the Listing Rules;
- (iii) an acquisition shall be made only when the Directors reasonably consider that the Group will have sufficient internal resources and cash flow after the acquisition; and
- (iv) all acquisitions will be made in the open market through the trading system of the Stock Exchange.

The Company will report on the details of the acquisitions under the Possible Acquisitions in the relevant interim and annual reports of the Company.

Since the acquisitions will be conducted in the open market through the trading system of the Stock Exchange, the Company will be unable to know the identities of the sellers. The Directors will make all reasonable enquiries to confirm whether the sellers are third parties independent of the Company and its connected persons. In the event that the Company becomes aware that any Xinyi Shares are to be acquired from a connected person of the Company, the Company will comply with the applicable Listing Rules as and when necessary.

## **INFORMATION ON THE GROUP**

The Group is a long-established air ticket consolidator, travel business process management provider and travel products and services provider in Canada. The principal businesses of the Group include (i) air ticket distribution in which it distributes air tickets to travel agents and travelers and issue air tickets directly on behalf of contracted airlines; (ii) travel business process management in which it provides mid-office and back-office support services to travel agents; and (iii) travel products and services in which it designs, develops and sells package tours, as well as other travel products and services to travel agents and travelers.

## INFORMATION ON XINYI ENERGY

Xinyi Energy is in the process of preparing the listing application for listing of the Xinyi Shares on the Stock Exchange. According to the prospectus of Xinyi Energy, Xinyi Energy is a leading non-State owned solar farm owner and operator in the PRC in terms of the approved capacity of the utility-scale ground-mounted solar farm projects in operation owned by it and under its management.

Set out below is the audited consolidated financial information of Xinyi Energy for each of the year ended December 31, 2016, 2017 and 2018, extracted from the prospectus of Xinyi Energy:

	Year ended December 31,		
	2016	2017	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit before taxation	659,067	734,809	792,656
Net profit after taxation	659,005	719,639	745,027

As of December 31, 2016, 2017 and 2018, the net assets of Xinyi Energy amounted to approximately HK\$4,791 million, HK\$6,107 million and HK\$6,406 million respectively.

Details of the business and financial information of Xinyi Energy are set out in the prospectus of Xinyi Energy published on the website of the Stock Exchange on May 15, 2019.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Xinyi Energy and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION

After due and careful consideration of the information relating to Xinyi Energy including its business model, financial information and business prospects as set out in the prospectus of Xinyi Energy, the Company considers that Xinyi Energy can achieve long-term development and the Transaction is an attractive investment which would generate potential investment returns for the Group. The Board has therefore decided to make such an investment in Xinyi Energy.

The Directors consider that the terms of the Order are on normal commercial terms which are fair and reasonable and the entering into of the Order are in the best interests of the Company and its Shareholders as a whole.

## LISTING RULES IMPLICATIONS

The Transaction and the Possible Acquisitions are required to be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios for the Transaction and the Possible Acquisitions in aggregate exceeds 5% but are all less than 25%, the Transaction, the Possible Acquisitions and the transactions contemplated thereunder constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Allocated Shares”	the Xinyi Shares as shall be allocated to the Company
“Board”	the board of Directors of the Company
“Company”	CTEH INC. (加達控股有限公司), a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange (stock code: 1620)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$” or “Hong Kong dollar”	Hong Kong dollar, the lawful currency of Hong Kong
“IPO”	initial public offer by way of global offering
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Price”	the offer price to be payable by the Company which shall be at a range of HK\$1.89 to HK\$2.35 per Xinyi Share

“Order”	the order placed by the Company on May 17, 2019 to Kingsway Financial Services Group Limited in relation to the Transaction
“Possible Acquisitions”	possible acquisitions of Xinyi Shares in the open market by the Company from time to time for a period of three months from the listing date of the Xinyi Shares
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFC”	Securities and Futures Commission of Hong Kong
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the subscription for the Allocated Shares by the Company
“Xinyi Energy”	Xinyi Energy Holdings Limited (信義能源控股有限公司), a company incorporated in the British Virgin Islands on June 26, 2015 with limited liability
“Xinyi Share(s)”	the ordinary shares to be issued by Xinyi Energy, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Stock Exchange
“%”	per cent

By order of the board  
**CTEH INC.**  
**Mrs. Rita Pik Fong Tsang**  
*Chairperson and executive Director*

Hong Kong, May 17, 2019

*As at the date of this announcement, the executive Directors are Mrs. Rita Pik Fong Tsang and Ms. Annie Shuk Fong Tsu, the non-executive Director is Dr. Kwok Chun Dennis Chu and the independent non-executive Directors are Dr. Michael Edward Ricco, Mrs. Kitty Yuk Yee Yeung and Mr. Sik Yuen Lau.*