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**Cloud Investment Holdings Limited**  
**雲信投資控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8129)**

**MAJOR TRANSACTION:  
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN  
Q9-TECH ENERGY DEVELOPMENT LIMITED AND  
Q9 TECHNOLOGY (BVI) LIMITED**

**THE SOFTWARE DISPOSAL**

On 8 October 2018, the Company (as vendor) and the Software Purchaser (as purchaser) entered into the Software Disposal Agreement pursuant to which the Company has conditionally agreed to sell and the Software Purchaser has conditionally agreed to acquire the Sale Shares for a consideration of HK\$3,100,000 (subject to adjustment). Upon Software Disposal Completion, the Company will cease to hold any interest in the Software Disposal Group and each member of the Software Disposal Group will cease to be a subsidiary of the Company and the financial results of the Software Disposal Group will no longer be consolidated into the financial statements of the Group.

As certain applicable percentage ratios are more than 25% but all the applicable percentage ratios are less than 75%, the Software Disposal constitutes a major transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting, announcement, circular and the Shareholders' approval requirements at the EGM.

A circular containing, among others, details of the Software Disposal and the notice of EGM, will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

## **CONTINUED SUSPENSION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares has been suspended with effect from 9:00 a.m. on 12 April 2018. Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules.

## **THE SOFTWARE DISPOSAL**

On 8 October 2018, the Company (as vendor) and the Software Purchaser (as purchaser) entered into the Software Disposal Agreement pursuant to which the Company has conditionally agreed to sell and the Software Purchaser has conditionally agreed to acquire the Sale Shares for a consideration of HK\$3,100,000 (subject to adjustment).

### **The Software Disposal Agreement**

**Date:** 8 October 2018

**Parties:** (1) Vendor : the Company

(2) Purchaser : the Software Purchaser

The Software Purchaser is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in general trading.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Software Purchaser and its beneficial owner(s) is an Independent Third Party.

### **Assets to be disposed of**

Pursuant to the Software Disposal Agreement, the Software Purchaser has conditionally agreed to acquire and the Company has conditionally agreed to sell the Sale Shares, which represent the entire equity interest of Q9 HK and Q9 BVI.

### **Consideration**

Subject to the adjustment as set out in the paragraph "Adjustment to the Software Disposal Consideration" below, the Software Disposal Consideration of HK\$3,100,000 (subject to adjustment) shall be settled in cash in the following manner (or such other manner as the parties thereto may agree in writing):

- (a) as to HK\$155,000 as deposit payable by the Software Purchaser to the Company upon the entering into of the Software Disposal Agreement; and

- (b) as to the remaining balance of HK\$2,945,000 payable by the Software Purchaser to the Company upon Software Disposal Completion.

In the event that any conditions precedent of the Software Disposal Agreement have been not satisfied on or before the Software Disposal Long Stop Date (as defined below) and/or the Software Disposal Completion does not take place in accordance with the Software Disposal Agreement, the Company shall forthwith refund the deposit in the amount of HK\$155,000 in full without deduction to the Software Purchaser and in full and final settlement of any liabilities of the Company towards the Software Purchaser under the Software Disposal Agreement and vice versa and whereupon the parties shall not take any action to claim for damages or to enforce specific performance or any other rights and remedies.

In the event that all the conditions precedent have been satisfied but the Software Disposal Completion does not take place in accordance with the Software Disposal Agreement as a result of the sole default of the Software Purchaser, the Company shall be entitled to forthwith forfeit the deposit in the amount of HK\$155,000 as liquidated damages and in full and final settlement of any liabilities of the Software Purchaser towards the Company under the Software Disposal Agreement and whereupon the parties shall not take any action to claim for damages or to enforce specific performance or any other rights and remedies.

### **Adjustment to the Software Disposal Consideration**

The Software Disposal Consideration shall be adjusted in the following manner:

- (a) the Company shall prepare the consolidated management accounts of the Software Disposal Group as at the date of Software Disposal Completion (the “**Completion Accounts**”) and deliver the same to the Software Purchaser no later than three (3) months after the date of Software Disposal Completion; and
- (b) subject to the maximum adjustment amount of HK\$1,000,000, the Software Disposal Consideration shall be adjusted:
  - (i) upward in the event that the net asset value as shown in the Completion Accounts is higher than the net asset value as shown in the consolidated management accounts of the Software Disposal Group as at 30 September 2018 (the “**Management Accounts**”) for such difference on a dollar-to-dollar basis, and in such case, any shortfall of the Software Disposal Consideration shall be paid by the Software Purchaser to the Company without interest and within five (5) Business Days after the date of the Completion Accounts is delivered; or
  - (ii) downward in the event that the net asset value as shown in the Completion Accounts is lower than the net asset value as shown in the Management Accounts for such difference on a dollar-to-dollar basis, and in such case, any excess paid on Software Disposal Completion by the Software Purchaser shall be returned to the Software Purchaser without interest and within five (5) Business Days after the date of the Completion Accounts is delivered.

For the avoidance of doubt, if the net asset value as shown in the Completion Accounts is equal to the net asset value as shown in the Management Accounts, there will be no adjustment on the Software Disposal Consideration.

### **Basis of the Software Disposal Consideration**

The Software Disposal Consideration was arrived at based on normal commercial terms and after arm's length negotiations among the parties to the Software Disposal Agreement taking into account, among others, net segment asset value of the Software Disposal Group of approximately HK\$2,247,000, HK\$2,279,000 and HK\$1,265,000 as at 30 June 2018, 31 December 2017 and 2016 respectively according to the interim report of the Company for the six months ended 30 June 2018 and the annual report of the Company for the year ended 31 December 2017 respectively.

Based on the factors mentioned above, the Company considers the Software Disposal Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent**

The Software Disposal is conditional upon the satisfaction or waiver (as the case may be) of the following:

- (a) all necessary approval from the Stock Exchange, the SFC (if applicable) and/or other regulatory authorities for the Software Disposal having been obtained;
- (b) all necessary consents and approvals required to be obtained on the part of the Software Purchaser, the Company, Q9 HK and Q9 BVI in respect of the Software Disposal Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (c) the passing by the Shareholders who are entitled to vote and not required to be abstained from voting under the GEM Listing Rules at a general meeting of the Company to be convened and held of the necessary resolution(s) to approve the Software Disposal Agreement and the transactions contemplated thereby, and all other consents and acts required to be obtained by the Company under the GEM Listing Rules and/or other applicable laws and regulations having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange; and
- (d) the Acquisition Agreement having become unconditional or completed.

The Company may at any time at its absolute and sole discretion waive in writing the condition (d) (in whole or in part) set out above. The other conditions above are incapable of being waived. As at the date of this announcement, the Company has no intention to waive any of the above conditions precedent.

If the conditions set out above have not been satisfied on or before the date falling fourteen (14) months from the date of the Software Disposal Agreement, or such other date as the parties to the Software Disposal Agreement may agree in writing (the “**Software Disposal Long Stop Date**”), the Software Disposal Agreement shall cease and terminate and thereafter neither party shall have any obligations and liabilities towards each other, save for refund of the deposit and any antecedent breaches of the terms of the Software Disposal Agreement.

### **Software Disposal Completion**

Software Disposal Completion shall take place on the fifth Business Day after all the conditions precedent under the Software Disposal Agreement having been fulfilled or waived by the Company (as the case may be) or such later time and date as the Software Purchaser and the Company may agree in writing, and in any event shall be on the same date as the completion date of the Acquisition Agreement.

Upon Software Disposal Completion, the Company will cease to hold any interest in the Software Disposal Group and each member of the Software Disposal Group will cease to be a subsidiary of the Company and the financial results of the Software Disposal Group will no longer be consolidated into the financial statements of the Group.

Pursuant to the Software Disposal Agreement, the Company shall execute deed(s) of waiver in favour of Q9 BVI and Q9 HK respectively for the full and final settlement of all the outstanding shareholder’s loan owed by Q9 BVI and Q9 HK to the Company respectively.

### **INFORMATION ON THE SOFTWARE DISPOSAL GROUP**

Immediately prior to the entering into of the Software Disposal Agreement, Q9 HK and Q9 BVI are wholly-owned by the Company. Upon Software Disposal Completion, each member of the Software Disposal Group will cease to be a subsidiary of the Company.

Q9 HK is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

Q9 BVI is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in the investment holding.

The subsidiaries of Q9 HK and Q9 BVI are engaged in the Software Business.

Set out below is the financial information of the Software Disposal Group for the year ended 31 December 2017:

	<b>For the year ended 31 December 2017 HK\$'000 (Audited)</b>	<b>For the year ended 31 December 2016 HK\$'000 (Audited)</b>
<b>Revenue</b>	3,573	3,753
<b>Profit before tax</b>	539	2,009
<b>Profit after tax</b>	539	2,009

As at 30 June 2018 and 31 December 2017, the net segment asset value of the Software Disposal Group amounted to approximately HK\$2,247,000 and HK\$2,279,000 respectively according to the interim report of the Company for the six months ended 30 June 2018 and the annual report of the Company for the year ended 31 December 2017 respectively.

## **REASONS FOR THE DISPOSAL**

The Group is principally engaged in the computer software and embedded systems development, sales and licensing of the software and systems, provision of financing services and provision of financial public relations services.

Based on the financial information of the Software Disposal Group, it is estimated that upon Software Disposal Completion, the Group will not record a material gain or loss from the Software Disposal. After deducting the expenses relating to the Software Disposal, the net proceeds of approximately HK\$2,500,000 is expected to be applied towards the general working capital of the Group.

The Board is of the view that the Software Disposal provides a good opportunity for the Group to realise its investment in the Software Disposal Group and reallocate its resources to develop the businesses to be acquired under the Acquisition Agreement.

Taking into consideration of the aforesaid, the Directors (including the independent non-executive Directors) consider that the terms of the Software Disposal Agreement are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATION**

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## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisition Agreement”	the conditional sale and purchase agreement dated 1 June 2018 entered into between Lee Dong Gun (as vendor) and Zenith Lead Limited (a subsidiary of the Company) (as purchaser) in relation to the sale and purchase of the entire issued share capital of Win Talent Consultants Limited, details of which have been disclosed in the announcement of the Company dated 24 July 2018
“Board”	board of the Directors
“Business Day”	a day (other than Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Cloud Investment Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company from time to time
“EGM”	the extraordinary general meeting of the Company to be held and convened to approve the Software Disposal
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company together with its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“PRC”	the People’s Republic of China
“Q9 BVI”	Q9 Technology (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company, which will cease to be a subsidiary of the Company upon Software Disposal Completion
“Q9 HK”	Q9-Tech Energy Development Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company, which will cease to be a subsidiary of the Company upon Software Disposal Completion
“Sale Shares”	collectively, 100 shares in the issued share capital of Q9 BVI and 100 shares in the issued share capital of Q9 HK, representing the entire issued share capital of Q9 HK and the entire issued share capital of Q9 BVI respectively
“SFC”	Securities and Futures Commissions
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Software Business”	the Group’s business of computer software and embedded systems development, sales and licensing of software and systems and provision of IT services business. The provision of IT services business has been ceased by the Group since July 2018
“Software Disposal”	the proposed disposal of the entire equity interests of Q9 HK and Q9 BVI by the Company
“Software Disposal Agreement”	the conditional sale and purchase agreement to be entered into between the Company and the Software Purchaser in relation to the Software Disposal



“Software Disposal Completion”	completion of the Software Disposal in accordance with the Software Disposal Agreement
“Software Disposal Consideration”	HK\$3,100,000 (subject to adjustment), being the aggregate consideration under the Software Disposal Agreement
“Software Disposal Group”	together Q9 BVI, Q9 HK and their respective subsidiaries
“Software Purchaser”	Xinhua Gold Net International Company Limited, a company incorporated in the British Virgin Islands with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Cloud Investment Holdings Limited**  
**NG CHUNG YUEN FRANK**  
*Executive Director*

Hong Kong, 9 October 2018

*As at the date of this announcement, the Board comprises Mr. Poon Yu Keung, Mr. Hung Ching Fung and Mr. Ng Chung Yuen Frank as executive Directors, Mr. Chow Wing Tung, Mr. Ko Wai Lun Warren and Mr. Yam Chiu Fan Joseph as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website at <http://www.hkgem.com> on the “latest company announcements” page for at least 7 days from the day of its posting and on the Company’s website at [www.cloud-grp.com](http://www.cloud-grp.com).*