
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspects of this circular or as to the action to be taken, you should consult your stockbroker or other registered or licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Unisplendour Technology (Holdings) Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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紫光控股
UNIS HOLDINGS

UNISPLENDOUR TECHNOLOGY (HOLDINGS) LIMITED

紫光科技(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 00365)

**CONNECTED TRANSACTION
IN RELATION TO
PROPOSED AMENDMENTS OF
THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the
Independent Board Committee and Independent Shareholders**

東方融資(香港)
ORIENT CAPITAL (HONG KONG)

A letter from the Board is set out on pages 5 to 20 of this circular and a letter from the Independent Board Committee is set out on pages 21 to 22 of this circular. A letter from the Independent Financial Adviser, Orient Capital (Hong Kong) Limited, to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 23 to 32 of this circular.

A notice convening the special general meeting of Unisplendour Technology (Holdings) Limited to be held at 9:00 a.m. on Thursday, 30 March 2017 at Unit 02-03, 69/F, International Commerce Centre, 1 Austin Road West, Tsim Sha Tsui, Kowloon, Hong Kong is set out on pages 37 to 38 of this circular.

Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not later than forty-eight (48) hours before the time appointed for the holding of the meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting (or any adjournment thereof) should you so desire and in such event the instrument appointing a proxy shall be deemed to be revoked.

* for identification purpose only

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“associate”	has the meaning ascribed to it under the Listing Rules
“Bermuda”	the Islands of Bermuda
“Board”	the board of Directors
“Bye-laws”	the Bye-laws of the Company, as amended from time to time
“CB Instrument”	the instrument constituting the Convertible Bonds
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	HK\$0.40 per Conversion Share, being the initial conversion price at which the Conversion Shares will be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds, subject to adjustment pursuant to the terms and conditions of the Convertible Bonds
“Convertible Bonds”	the zero coupon convertible bonds due 2021 in the aggregate principal amount of up to HK\$148,000,000 issued by the Company to Unis Technology Strategy pursuant to the CB Instrument on 30 May 2016
“Convertible Share(s)”	new Share(s) to be allotted and issued by the Company pursuant to the exercise of the conversion rights attached to the Convertible Bonds pursuant to the terms and conditions of the Convertible Bonds
“Company”	Unisplendour Technology (Holdings) Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company for the time being
“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 PRC

DEFINITIONS

“Independent Board Committee”	a Board committee comprising all independent non-executive Directors established to advise and make recommendation to the Independent Shareholders in relation to the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate
“Independent Financial Adviser” or “Orient Capital”	Orient Capital (Hong Kong) Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under SFO, and is the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Deed and the Proposed Amendments contemplated thereunder and the granting of the Specific Mandate
“Independent Shareholders”	means the Shareholders other than (i) Unis Technology Strategy, its associates and parties acting in concert with it; (ii) Mr. But, his associates and parties acting in concert with him; and (iii) any Shareholders who are involved in or interested in the transactions contemplated under the Supplemental Deed, who are required by the Listing Rules to abstain from voting in respect of the resolution(s) relating to the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate at the SGM
“Issuance Circular”	the circular of the Company dated 20 April 2016 in relation to, among others, the issue of the Convertible Bonds
“Latest Practicable Date”	13 March 2017, being the latest practicable date for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Committee”	the listing committee of the Stock Exchange
“Mr. But”	Mr. But Tin Fu, a former Director of the Company, and an existing Shareholder of the Company
“PRC”	the People’s Republic of China

DEFINITIONS

“Principal Subsidiary”	a subsidiary of the Company which is not an insignificant subsidiary
“Proposed Amendments”	the proposed amendment of certain terms and conditions of the Convertible Bonds pursuant to the Supplemental Deed
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting of the Company to be held at Unit 02-03, 69/F, International Commerce Centre, 1 Austin Road West, Tsim Sha Tsui, Kowloon, Hong Kong on 30 March 2017 at 9:00 a.m. (or any adjournment thereof)
“SGM Notice”	the notice convening the SGM as set out on pages 37 to 38 of this circular
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares, from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Specific Mandate”	the specific mandate to be granted to the Directors at the SGM for the allotment and issue the Conversion Shares upon conversion of the Convertible Bonds pursuant to the terms and conditions of the Convertible Bonds as amended by the Supplemental Deed
“Supplemental Deed”	the supplemental deed entered into between the Company and Unis Technology Strategy on 7 March 2017 in respect of the Proposed Amendments
“Tsinghua Holdings”	Tsinghua Holdings Co., Ltd. (清華控股有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of Tsinghua University (清華大學)
“Tsinghua Unigroup”	Tsinghua Unigroup Co., Ltd. (紫光集團有限公司), a company established under the laws of the PRC and which is owned as to 51% by Tsinghua Holdings and as to 49% by Beijing Jiankun Investment Group Co., Ltd. (北京健坤投資集團有限公司)

DEFINITIONS

“UNISTECH Completion”	completion of the subscription of the Convertible Bonds pursuant to the UNISTECH Subscription Agreement
“UNISTECH Subscription Agreement”	the subscription agreement entered into among Mr. But, the Company and Unis Technology Strategy on 4 February 2016 in relation to, among other things, the subscription of the Convertible Bonds
“Unis Technology Strategy”	Unis Technology Strategy Investment Limited, a company incorporated in Hong Kong with limited liability, being the controlling shareholder of the Company and the holder of the Convertible Bonds
“%”	per cent

LETTER FROM THE BOARD



紫光控股
UNIS HOLDINGS

UNISPLENDOUR TECHNOLOGY (HOLDINGS) LIMITED

紫光科技(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 00365)

Executive Directors:

Mr. WANG Huixuan (*Chairman*)

Mr. QI Lian

Mr. XIA Yuan (*Chief Executive Officer*)

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Non-executive Directors:

Mr. LI Zhongxiang (*Vice Chairman*)

Principal Place of Business:

Unit 02-03, 69/F

Independent Non-executive Directors:

International Commerce Centre

Mr. CUI Yuzhi

1 Austin Road West,

Mr. BAO Yi

Tsim Sha Tsui, Kowloon

Mr. PING Fan

Hong Kong

15 March 2017

To the Shareholders

Dear Sirs or Madams,

**CONNECTED TRANSACTION
IN RELATION TO
PROPOSED AMENDMENTS OF
THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

References are made to the joint announcements issued by Unis Technology Strategy and the Company dated 14 February 2016 and 2 June 2016 respectively, and the Issuance Circular.

* for identification purpose only

LETTER FROM THE BOARD

On 4 February 2016, the Company entered into the UNISTECH Subscription Agreement with Mr. But and Unis Technology Strategy in relation to, among other things, the issue of the Convertible Bonds in an aggregate principal amount of HK\$148,000,000. The Convertible Bonds bears no interest and is convertible into the Conversion Shares, being 370,000,000 Shares, at the Conversion Price of HK\$0.40 per Conversion Share. The UNISTECH Completion took place on 30 May 2016 pursuant to the terms of the UNISTECH Subscription Agreement. All outstanding Convertible Bonds will mature on 30 May 2021.

As at Latest Practicable Date, the Convertible Bonds are wholly held by Unis Technology Strategy and none of the Convertible Bonds has been redeemed nor converted, in whole or in part.

Reference is also made to the announcement issued by the Company dated 7 March 2017 in relation to, among other things, the Proposed Amendments.

The main purpose of this circular is to provide you with, among other things, relevant information on (i) further details of the Supplemental Deed and the Proposed Amendments contemplated thereunder and the Specific Mandate; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate; and (iv) a notice of the SGM.

THE PROPOSED AMENDMENTS

On 7 March 2017 (after trading hours), the Company entered into a supplemental deed with Unis Technology Strategy, pursuant to which the Company and Unis Technology Strategy agreed to amend certain terms and conditions of the Convertible Bonds to the effect that the Conversion Price shall not be subject to further adjustment of the occurrence of dilutive events set forth in paragraph (d), (f), (g) and (h) under the heading of “Anti-dilution adjustments” in the Issuance Circular (the “**Subject Dilutive Events**”), which is referred to as the Proposed Amendments. Below is the comparison of differences between the original terms and the Proposed Amendments contemplated under the Supplemental Deed:

	Original terms	The Proposed Amendments contemplated under the Supplemental Deed
Anti-dilution Adjustments:	The Conversion Price will from time to time be adjusted upon the occurrence of certain events, including the following: (a) consolidation, sub-division or reclassification of the Shares; (b) capitalisation of profits or reserves;	The Conversion Price will from time to time be adjusted upon the occurrence of certain events, including the following: (a) consolidation, sub-division or reclassification of the Shares; (b) capitalisation of profits or reserves;

LETTER FROM THE BOARD

Original terms

The Proposed Amendments contemplated under the Supplemental Deed

- | | |
|--|--|
| <p>(c) capital distribution to the Shareholders;</p> <p>(d) issue of Shares to all or substantially all Shareholders as a class by way rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, of options, warrants or other rights to subscribe for or purchase any Shares, in each case at a price per Share which is less than the higher of (i) 80% of the market price on the date of the announcement of the terms of the issue or grant and (ii) the Conversion Price then in effect on the date of the announcement of the terms of the issue or grant;</p> <p>(e) issue of any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares);</p> | <p>(c) capital distribution to the Shareholders;</p> <p>(d) issue of any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares);</p> <p>(e) when any of the Company or any of its subsidiaries issues, sells or distributes any securities whereby the Shareholders generally are entitled to participate in such issue, sale or distribution (except where the Conversion Price falls to be adjusted under paragraphs (d) above), the Conversion Price shall be adjusted, in order to reflect the fact that such right of participation represents an adjustment to the value of the Shares, by multiplying the Conversion Price in force immediately before such issue by the following fraction:</p> |
|--|--|

$$\frac{A - B}{A}$$

LETTER FROM THE BOARD

Original terms

- (f) issue (other than as mentioned in paragraph (d) above) of any Shares (other than Shares issued on the exercise of conversion rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (other than as mentioned in paragraph (d) above) options, warrants or other rights to subscribe for, or purchase or otherwise acquire any Shares, in each case at a price per Share which is less than the higher of (i) 80% of the market price on the date of the announcement of the terms of the issue and (ii) the Conversion Price then in effect on the date of the announcement of the terms of the issue;
- (g) save in the case of an issue of securities arising from a conversion of exchange of other securities in accordance with the terms applicable to such securities themselves falling within this paragraph (g), the issue wholly for cash in paragraphs (d), (e) and (f) of any securities (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription at a consideration per Share which is less than the higher of (i) 80% of the market price on the date of the announcement of the terms of the issue of such securities and (ii) the Conversion Price in effect on the date of the announcement of the terms of the issue of such securities;

The Proposed Amendments contemplated under the Supplemental Deed

Where:

- A is the current market price of one (1) Share on the date on which such issue, sale or distribution is publicly announced; and
- B is the fair market value on the date of such announcement of the portion of the rights attributable to one (1) Share; and
- (f) if the Company or any bondholder determines that a downward adjustment should be made to the Conversion Price as a result of one (1) or more events or circumstances not referred to in paragraphs (a) to (e), the Company or such bondholder shall, at the costs and expenses of the Company, consult an independent bank of international repute (acting as an expert) to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, and the date on which such adjustment should take effect.

LETTER FROM THE BOARD

Original terms

The Proposed Amendments contemplated under the Supplemental Deed

- (h) when the rights of conversion, exchange or subscription attached to any such securities as are mentioned in paragraph (g) above (other than in accordance with the terms of such securities) are modified so that the consideration per Share is less than the higher of (i) 80% of the market price on the date of the announcement of the proposals for such modification and (ii) the Conversion Price then in effect on the date of the announcement of the proposals for such modification;
- (i) when any of the Company or any of its subsidiaries issues, sells or distributes any securities whereby the Shareholders generally are entitled to participate in such issue, sale or distribution (except where the Conversion Price falls to be adjusted under paragraphs (d), (e), (f) or (g) above), the Conversion Price shall be adjusted, in order to reflect the fact that such right of participation represents an adjustment to the value of the Shares, by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

LETTER FROM THE BOARD

Original terms

The Proposed Amendments contemplated under the Supplemental Deed

Where:

- A is the current market price of one (1) Share on the date on which such issue, sale or distribution is publicly announced; and
 - B is the fair market value on the date of such announcement of the portion of the rights attributable to one (1) Share; and
- (j) if the Company or any bondholder determines that a downward adjustment should be made to the Conversion Price as a result of one (1) or more events or circumstances not referred to in paragraphs (a) to (i), the Company or such bondholder shall, at the costs and expenses of the Company, consult an independent bank of international repute (acting as an expert) to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, and the date on which such adjustment should take effect.

Save as disclosed above, the principal terms and conditions of the Convertible Bonds as disclosed in the Circular remain intact and unchanged and are still in full force and effect.

Pursuant to the Supplemental Deed, the Proposed Amendments are subject to the satisfaction of the following conditions:

- (i) the passing by the Independent Shareholders at the SGM of the necessary resolutions to approve the Proposed Amendments, the Supplemental Deed and the transactions contemplated thereunder;

LETTER FROM THE BOARD

- (ii) the Stock Exchange having approved the Proposed Amendments pursuant to the Listing Rules; and
- (iii) all necessary consents and approvals required to be obtained on the part of the Company and Unis Technology Strategy in respect of the Proposed Amendments, the Supplemental Deed and the transactions contemplated thereunder having been obtained.

None of the above conditions could be waived by the parties to the Supplemental Deed. The Proposed Amendments shall take effect on the date when all the conditions are fulfilled.

As at the Latest Practicable Date, none of the above conditions have been satisfied.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS (AS AMENDED PURSUANT TO THE SUPPLEMENTAL DEED)

The principal terms of the Convertible Bonds (as amended pursuant to the Supplemental Deed) are summarised as below:

Principal amount:	HK\$148,000,000
Maturity date:	The fifth anniversary of the date of issue of the Convertible Bonds
Interest:	The Convertible Bonds will not bear any interest
Conversion rights:	The bondholders will have the right, during the period commencing from the date of issue of the Convertible Bonds up to the close of business in Hong Kong on the Maturity Date to convert all or part of the Convertible Bonds held by it (if in part, the principal amount of Convertible Bonds to be converted shall be in the minimum amount of HK\$2,000,000 and integral multiples of HK\$1,000,000 or the whole outstanding principal amount of the Convertible Bonds) into Conversion Shares at the Conversion Price (subject to adjustments). No exercise of conversion rights attaching to the Convertible Bonds shall be allowed if the conversion would result in the Company breaching the minimum public float requirement under Rule 8.08 of the Listing Rules. The Conversion Shares will in all respects rank pari passu with the Shares in issue on the relevant registration date.
Conversion Price:	The initial Conversion Price shall be HK\$0.40 per Conversion Share subject to adjustment provisions as summarised below.

LETTER FROM THE BOARD

Anti-dilution
adjustments:

The Conversion Price will from time to time be adjusted upon the occurrence of certain events, including the following:

- (a) consolidation, sub-division or reclassification of the Shares;
- (b) capitalisation of profits or reserves;
- (c) capital distribution to the Shareholders;
- (d) issue of any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares);
- (e) when any of the Company or any of its subsidiaries issues, sells or distributes any securities whereby the Shareholders generally are entitled to participate in such issue, sale or distribution (except where the Conversion Price falls to be adjusted under paragraphs (d) above), the Conversion Price shall be adjusted, in order to reflect the fact that such right of participation represents an adjustment to the value of the Shares, by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the current market price of one (1) Share on the date on which such issue, sale or distribution is publicly announced; and
- B is the fair market value on the date of such announcement of the portion of the rights attributable to one (1) Share; and

LETTER FROM THE BOARD

- (f) if the Company or any bondholder determines that a downward adjustment should be made to the Conversion Price as a result of one (1) or more events or circumstances not referred to in paragraphs (a) to (e), the Company or such bondholder shall, at the costs and expenses of the Company, consult an independent bank of international repute (acting as an expert) to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, and the date on which such adjustment should take effect.

Transferability:

A Convertible Bond may be transferred to another person provided, however, that (a) where not all of the Convertible Bonds then held by the bondholder are being transferred, the aggregate principal amount of the Convertible Bonds so transferred shall be at least HK\$2,000,000 and integral multiples of HK\$1,000,000, and (b) if the transfer is not to a bank, financial institution or other financiers for financing purpose of the bondholder, the prior consent of the Company shall have been obtained (such consent not to be unreasonably withheld or delayed and shall be deemed to have been given unless the Company has expressly refused such consent within five (5) business days of the bondholder's request).

Events of default:

If any of the following events occurs, the Convertible Bonds shall on the giving of notice in writing by the bondholder to the Company become due and payable at the Early Redemption Amount:

- (a) a default is made by the Company in the payment of any principal, premium or any other amount due in respect of the Convertible Bonds on its due date of payment (except where failure to pay is caused solely by administrative or technical error and payment is made within three (3) business days of its due date);
- (b) failure by the Company to deliver any Shares as and when such Shares are required to be delivered following conversion of a Convertible Bond and such failure continues for a period of seven (7) business days;
- (c) the occurrence of any event or circumstance which could reasonably likely to result in a material adverse effect;

LETTER FROM THE BOARD

- (d) the Company fails to perform or comply with one or more of its other obligations in the Convertible Bonds (other than those referred to in paragraphs (a) to (c) above), which default is incapable of remedy or, if capable of remedy, is not remedied within 7 days after written notice of such default shall have been given to the Company by a bondholder;
- (e) the Company is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend, payment of all or a substantial part of (or of a particular type of) its debts as they fall due, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of a substantial part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of such debts or a moratorium is agreed or declared in respect of or affecting all or a substantial part of (or of a particular type of) the debts of the Company; an administrator or liquidator of the Company, or the whole or any part of the assets and revenue of the Company is appointed and such appointment is not discharged or stayed within 60 days;
- (f) any Principal Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend, payment of all or a substantial part of (or of a particular type of) its debts as they fall due, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of a substantial part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of such debts or a moratorium is agreed or declared in respect of or affecting all or a substantial part of (or of a particular type of) the debts of any Principal Subsidiary; an administrator or liquidator of any Principal Subsidiary or the whole or any part of the assets and revenue of any Principal Subsidiary is appointed and such appointment is not discharged or stayed within 60 days (other than in respect of a solvent liquidation);

LETTER FROM THE BOARD

- (g) any judgment or order for the payment of money in excess of HK\$1,000,000 or the equivalent thereof (for each judgment or order) or HK\$10,000,000 or the equivalent thereof in the aggregate (for all such judgments or orders) shall be rendered against the Company and/or any Principal Subsidiary and is not discharged for a period of 30 days following such judgment (or such longer period as the Company and the bondholders may agree) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (h) any judgment or order for the payment of money in excess of HK\$10,000,000 or the equivalent thereof (for each judgment or order) or HK\$20,000,000 or the equivalent thereof in the aggregate (for all such judgments or orders) shall be rendered against the Company and/or any Principal Subsidiary;
- (i) any other present or future indebtedness of the Company or any of its Principal Subsidiaries for or in respect of monies borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described); or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or (iii) the Company or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this condition have occurred equals or exceeds HK\$100,000,000 or its equivalent (as determined on the basis of the middle spot rate for the relevant currency against the Hong Kong dollar as quoted by any leading bank on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity);
- (j) a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Company or any of its Principal Subsidiaries, and is not discharged or stayed within 60 days;

LETTER FROM THE BOARD

- (k) an order is made or an effective resolution passed for the liquidation, winding up, dissolution, judicial management or administration of the Company or any of its Principal Subsidiaries or the Company or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or a material part of its business;
- (l) an encumbrancer takes possession or an administrative or other receiver or an administrator or other similar officer is appointed of the whole or any material part of the property, assets or revenues of the Company or any of its Principal Subsidiaries (as the case may be), and is not discharged within 60 days;
- (m) it is or will become unlawful for the Company to perform or comply with anyone or more of its obligations under the Convertible Bonds;
- (n) any step is taken by any person that could reasonably be expected to result in the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Company or any of its Principal Subsidiaries;
- (o) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order: (i) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Convertible Bonds; (ii) to ensure that these obligations are legally binding and enforceable; and (iii) to make the Convertible Bonds admissible in evidence in the courts of Bermuda or Hong Kong is not taken, fulfilled or done; or
- (p) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing conditions.

Early Redemption Amount = outstanding principal amount of such Convertible Bond $\times (1.10)^N$ where:

N = a fraction the numerator of which is the number of calendar days between the date of issue of the Convertible Bonds and the date of redemption of such amount and the denominator of which is 365.

LETTER FROM THE BOARD

REASONS FOR THE PROPOSED AMENDMENTS

Subsequent to the UNISTECH Completion, the Shares have been trading on market prices substantially over the initial Conversion Price of HK\$0.40. Pursuant to the original terms and conditions of the Convertible Bonds, the Conversion Price will be adjusted downwards even if the Company undertakes any corporate actions set forth in the Subject Dilutive Events at a price per Share substantially higher than the initial Conversion Price but less than the 80% of the market price on the date of the announcement of the terms of the issue or the proposals, as the case may be (the “**Subject Corporate Actions**”). The Board considers the Subject Dilutive Events might, upon the occurrence of the Subject Corporate Actions, have a substantial dilutive effect on the minority shareholders’ interest and be detrimental to the minority shareholders.

The Board also consider that:

- (i) the Proposed Amendments represent a waiver of rights by Unis Technology Strategy and will have no impact on the daily business operations of the Group;
- (ii) the rights of the Shareholders will not be affected by the Proposed Amendments;
- (iii) the cancellation of the adjustment mechanism of the Convertible Bonds, so as to the consequential cancellation of the corresponding dilutive effect on the share capital of the Company may lead to the enhancement of the net asset value per Share; and
- (iv) the Proposed Amendments will allow the Company to have more flexibility for future fund raising exercises without concerns on the adjustments to the Conversion Price.

Unis Technology Strategy is the controlling shareholder of the Company and an investment holding company. Unis Technology Strategy has agreed to the Proposed Amendments in order to continually support the development of the Company and contribute to the Company’s future growth.

Having considered the above, the Board (excluding the independent non-executive Directors, whose views are set out in the “Letter from the Independent Board Committee” in this circular) are of the view that the terms and conditions of the Convertible Bonds (as amended pursuant to the Supplemental Deed) and the terms of the Supplemental Deed (including the Proposed Amendments) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND UNIS TECHNOLOGY STRATEGY

The Group is principally engaged in designing, manufacturing and distributing of SMT and related equipment.

LETTER FROM THE BOARD

Unis Technology Strategy is a wholly-owned subsidiary of Tsinghua Unigroup and was established for the purpose of developing global business and strengthening international cooperation. Tsinghua Unigroup is one of the key enterprises under Tsinghua Holdings. Save for holding the approximate 67.82% shareholding in the Company and the Convertible Bonds, Unis Technology Strategy currently does not have any other significant business activities.

IMPLICATIONS UNDER THE LISTING RULES

According to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Company has applied to the Stock Exchange for its approval for the Proposed Amendments pursuant to the requirements under the Listing Rules.

The Proposed Amendments are considered a material change to the terms and conditions of the Convertible Bonds. They are therefore regarded as new arrangements for the Company to issue convertible debt securities to Unis Technology Strategy and Shareholders' approval is required.

The Company will seek the grant of the Specific Mandate from the Independent Shareholders at the SGM to be convened to authorise the Board to allot and issue the Conversion Shares upon conversion of the Convertible Bonds pursuant to the terms and conditions of the Convertible Bonds as amended by the Supplemental Deed.

No application will be made by the Company for the listing of the Convertible Bonds. Application will be made to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares which may fall to be allotted and issued upon conversion of the Convertible Bonds pursuant to the terms and conditions of the Convertible Bonds as amended by the Supplemental Deed.

As at the Latest Practicable Date, Unis Technology Strategy holds approximately 67.82% of the total issued share capital of the Company and therefore is the controlling shareholder of the Company. In addition, Mr. But, who is the guarantor under the UNISTECH Subscription Agreement, was a Director of the Company in the last 12 months. As at the Latest Practicable Date, Mr. But holds approximately 6.18% of the total issued share capital of the Company. As Unis Technology Strategy and Mr. But are connected persons of the Company, the entering into of the Supplemental Deed constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Unis Technology Strategy, Mr. But and their respective associates will abstain from voting in the SGM for approval of the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate.

Saved as disclosed above, no other Shareholder will be required to abstain from voting in respect of the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate.

LETTER FROM THE BOARD

As three of our Directors, namely Mr. Wang Huixuan, Mr. Qi Lian and Mr. Li Zhongxiang, hold directorships and/or management positions in Tsinghua Holdings and Tsinghua Unigroup, they have abstained from the voting on the Board resolution in relation to the approval for the execution of the Supplemental Deed. Save for the above, no other Directors have a material interest in the transactions contemplated under the Supplemental Deed and hence no other Directors are required to abstain from voting on such Board resolution.

SGM AND PROXY ARRANGEMENT

The SGM Notice convening the SGM to be held on 30 March 2017 at 9:00 a.m. (or any adjournment thereof) at Unit 02-03, 69/F, International Commerce Centre, 1 Austin Road West, Tsim Sha Tsui, Kowloon, Hong Kong is set out on pages 37 to 38 of this circular at which an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve(i) the Supplemental Deed and the Proposed Amendments contemplated thereunder and (ii) the grant of the Specific Mandate. Unis Technology Strategy and Mr. But together with their respective associates will abstain from voting in respect of the resolution.

The Company has formed an Independent Board Committee (comprising all independent non-executive Directors, namely, Mr. Cui Yuzhi, Mr. Bao Yi and Mr. Ping Fan) to advise the Independent Shareholders as to the fairness and reasonableness of the entering into of the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate. Orient Capital has been appointed as the independent financial adviser to advise the Independent Board Committee in this regard.

A form of proxy for the SGM is enclosed herewith. Shareholders are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not later than forty-eight (48) hours before the time appointed for the holding of the SGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the SGM (or any adjournment thereof) should he/she so desire and in such event the instrument appointing a proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except purely on those procedural or administrative matters. The resolution to be proposed and put to a vote at the SGM will be decided by way of a poll at the SGM pursuant to Bye-law 66 of the Bye-laws. The results of the poll will be published on the websites of the Stock Exchange and the Company after the SGM in the manner prescribed under Rules 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this

LETTER FROM THE BOARD

circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other material facts not contained in this circular, the omission of which would make any statement in this circular misleading.

RECOMMENDATION

The Directors (excluding the independent non-executive Directors, whose views are set out in the “Letter from the Independent Board Committee” in this circular) consider that the ordinary resolution mentioned above is in the best interests of the Company and the Shareholders as a whole, and therefore they recommend the Independent Shareholders to vote in favour of the ordinary resolution as set out in the notice of the SGM to approve the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate.

ADDITIONAL INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee as set out on pages 21 to 22 of this circular which contains recommendations of the Independent Board Committee to the Independent Shareholders regarding the resolution to approve the transaction; and (ii) the letter from the Independent Financial Adviser as set out on pages 23 to 32 of this circular which contains its recommendations to the Independent Board Committee and the Independent Shareholders in respect of the transaction and the principal factors and reasons considered by Orient Capital in arriving at its recommendations.

Yours faithfully,
For and on behalf of the Board
Wang Huixuan
Chairman



紫光控股
UNIS HOLDINGS

UNISPLENDOUR TECHNOLOGY (HOLDINGS) LIMITED

紫光科技(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 00365)

15 March 2017

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION
IN RELATION TO
PROPOSED AMENDMENTS OF
THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS**

We refer to the circular issued by Unisplendour Technology (Holdings) Limited (the “**Company**”) to the shareholders of the Company dated 15 March 2017 (the “**Circular**”) of which this letter forms part. Unless otherwise specified, terms defined in the Circular shall have the same meanings when used in this letter.

We have been appointed by the Board as members of the Independent Board Committee, which has been established to consider the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate, and advise the Independent Shareholders whether, in our opinion, its terms are fair and reasonable so far as the Independent Shareholders are concerned. Orient Capital has been appointed as the independent financial adviser to advise us in this respect.

We wish to draw your attention to the letter from the Board and the letter from the Independent Financial Adviser as set out in the Circular. Having considered the principal factors and reasons considered by, and the advice of Orient Capital as set out in its letter of advice, we consider that although the Supplemental Deed and the Proposed Amendments contemplated thereunder are not within the ordinary and usual course of business of the Group, the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate, are fair and reasonable, on normal commercial terms or better, and in the interests of the Company and the Shareholders as a whole.

* *for identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We also consider that the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate, are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate.

Yours faithfully,

Messrs. Cui Yuzhi and Bao Yi and Ping Fan
Independent Board Committee

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

The following is the full text of the letter of advice from Orient Capital to the Independent Board Committee and the Independent Shareholders in respect of the connected transaction in relation to proposed amendments of the terms and conditions of the convertible bonds for the purpose of incorporation in this circular.

東方融資(香港)有限公司
ORIENT CAPITAL (HONG KONG) LIMITED

香港中環皇后大道中100號28樓-29樓
28/F-29/F, 100 Queen's Road Central, Hong Kong
Tel: (852) 3519 1188 Fax: (852) 2259 9211 Website: www.dfzq.com.hk
證監會持牌法團編號 CE No.: BDN128

15 March 2017

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO PROPOSED AMENDMENTS OF THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate, details of which are contained in the letter from the board (the “**Letter from the Board**”) of the circular dated 15 March 2017 (the “**Circular**”) issued by the Company, of which this letter forms part. Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Circular.

According to the Letter from the Board, on 7 March 2017 (after trading hours), the Company entered into a supplemental deed with Unis Technology Strategy, pursuant to which the Company and Unis Technology Strategy agreed to amend certain terms and conditions of the Convertible Bonds to the effect that the Conversion Price shall not be subject to further adjustment of the occurrence of dilutive events set forth in paragraph (d), (f), (g) and (h) under the heading of “Anti-dilution adjustments” in the Issuance Circular (the “**Subject Dilutive Events**”) (the “**Proposed Amendments**”). Apart from the Proposed Amendments, all other terms of the Convertible Bond remain unchanged.

According to the Letter from the Board, pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of the convertible bonds after issue must be approved by the Stock Exchange, except where alterations take effect automatically under the existing terms of such convertible bonds.

Moreover, as stated in the Letter from the Board, Unis Technology Strategy holds approximately 67.82% of the total issued share capital of the Company as at the Latest Practicable Date and therefore is the controlling shareholder of the Company. In addition, Mr. But, who is the guarantor under the UNISTECH Subscription Agreement, was a Director of the Company in the last 12 months. As at the Latest Practicable Date, Mr. But holds

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

approximately 6.18% of the total issued share capital of the Company. As Unis Technology Strategy and Mr. But are connected persons of the Company, the entering into of the Supplemental Deed constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Unis Technology Strategy, Mr. But and their respective associates will abstain from voting in the SGM for approval of the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate.

We have been appointed as the independent financial adviser to advise the Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Cui Yuzhi, Mr. Bao Yi and Mr. Ping Fan, and the Independent Shareholders in respect of the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate, and to make recommendations as to, among others, whether the terms of the Supplemental Deed (including the Proposed Amendments) are fair and reasonable, are on normal commercial terms or better, in the ordinary and usual course of business of the Company and in the interest of the Company and Shareholders as a whole and as to voting in respect of the relevant resolutions at the SGM.

Orient Capital is a licensed corporation to carry out Type 6 regulated activities (advising on corporate finance) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Orient Capital and its affiliates, whose ordinary business involves the trading of, dealing in and the holding of securities, may be involved in the trading of, dealing in, and the holding of the securities of the Group for client accounts.

During the past two years, Orient Capital had no past engagement with the Group. As at the Latest Practicable Date, we were independent from and not connected with the Group under Rule 13.84 of the Listing Rules, and accordingly, are qualified to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate.

BASIS OF OUR ADVICE

In formulating our opinion and recommendation, we have reviewed, among other things, the Announcement, the Circular (including the Letter from the Board), the Issuance Circular, the UNISTECH Subscription Agreement, the Supplemental Deed, and the interim report (the “**Interim Report**”) of the Company for the six months ended 30 September 2016. We have also relied on the information and representations which have been provided by the Directors and the management of the Company (the “**Management**”) for which they are solely and wholly responsible, were true, accurate and complete as at the Latest Practicable Date.

In formulating our recommendation, we have relied on the information, opinions and facts supplied and representations made to us by the Company, which has assumed full responsibility for the accuracy of the information contained in this circular and that any information and representations made to us are true, accurate and complete in all material respects as at the date hereof and that they may be relied upon. We have no reason to doubt

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

the truth, accuracy and completeness of the information and representations provided to us by the Company. We have relied on certain information available to the public and have assumed such information to be accurate and reliable, and we have not independently verified the accuracy of such information. We have also assumed that statements and representations made or referred to in the Circular were accurate at the time they were made and continue to be accurate up to the date of the SGM. We consider that we have reviewed sufficient information to reach an informed view in order to provide a reasonable basis for our advice. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the business, affairs or future prospects of the Company. Our advice was necessarily based on financial, economic, market and other conditions in effect, and the information made available to us, as at the Latest Practicable Date. As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, we have not been involved in the negotiations in respect of the terms of the Supplemental Deed (including the Proposed Amendments).

PRINCIPAL FACTORS AND REASONS CONSIDERED

The principal factors and reasons we have taken into account in assessing the terms of the Supplemental Deed (including the Proposed Amendments) in giving our recommendation to the Independent Board Committee and the Independent Shareholders are set out below:

1. Background and reasons for entering into the Supplemental Deed

According to the Letter from the Board, on 4 February 2016, the Company entered into the UNISTECH Subscription Agreement with Mr. But and Unis Technology Strategy in relation to, among other things, the issue of the Convertible Bonds in an aggregate principal amount of HK\$148,000,000. The Convertible Bonds bears no interest and is convertible into the Conversion Shares, being 370,000,000 Shares, at the Conversion Price of HK\$0.40 per Conversion Share. The UNISTECH Completion took place on 30 May 2016 pursuant to the terms of the UNISTECH Subscription Agreement. All outstanding Convertible Bonds will mature on 30 May 2021. As at the Latest Practicable Date, the Convertible Bonds are wholly held by Unis Technology Strategy and none of the Convertible Bonds has been redeemed nor converted, in whole or in part.

Subsequent to the UNISTECH Completion, the Shares have been trading on market prices substantially over the initial Conversion Price of HK\$0.40. Pursuant to the original terms and conditions of the Convertible Bonds, the Conversion Price will be adjusted downwards if the Company undertakes the Subject Corporate Actions. The Board considers the Subject Dilutive Events might, upon the occurrence of the Subject Corporate Actions, have a substantial dilutive effect on the minority shareholders' interest and be detrimental to the minority shareholders.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

The Board also considers that:

- (i) the Proposed Amendments represent a waiver of rights by Unis Technology Strategy and will have no impact on the daily business operations of the Group;
- (ii) the rights of the Shareholders will not be affected by the Proposed Amendments;
- (iii) the cancellation of the adjustment mechanism of the Convertible Bonds, so as to the consequential cancellation of the corresponding dilutive effect on the share capital of the Company may lead to the enhancement of the net asset value per Share; and
- (iv) the Proposed Amendments will allow the Company to have more flexibility for future fund raising exercises without concerns on the adjustments to the Conversion Price.

2. Principal terms of the Supplemental Deed

According to the Letter from the Board, on 7 March 2017 (after trading hours), the Company entered into the Supplemental Deed with Unis Technology Strategy, pursuant to which the Company and Unis Technology Strategy agreed to amend certain terms and conditions of the Convertible Bonds such that the Conversion Price shall not be adjusted upon the occurrence of the Subject Dilutive Events.

Pursuant to the UNISTECH Subscription Agreement in respect of the Convertible Bonds, the Conversion Price was subject to anti-dilution adjustments upon the occurrence of the following events:

- 1. issue of Shares to all or substantially all Shareholders as a class by way rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, of options, warrants or other rights to subscribe for or purchase any Shares, in each case at a price per Share which is less than the higher of (i) 80% of the market price on the date of the announcement of the terms of the issue or grant and (ii) the Conversion Price then in effect on the date of the announcement of the terms of the issue or grant;
- 2. issue (other than as mentioned in paragraph (d) above) of any Shares (other than Shares issued on the exercise of conversion rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (other than as mentioned in paragraph (d) above) options, warrants or other rights to subscribe for, or purchase or otherwise acquire any Shares, in each case at a price per Share which is less than the higher of (i) 80% of the market price on the date of the announcement of the terms of the issue and (ii) the Conversion Price then in effect on the date of the announcement of the terms of the issue;

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

3. save in the case of an issue of securities arising from a conversion of exchange of other securities in accordance with the terms applicable to such securities themselves falling within this paragraph (g), the issue wholly for cash in paragraphs (d), (e) and (f) of any securities (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription at a consideration per Share which is less than the higher of (i) 80% of the market price on the date of the announcement of the terms of the issue of such securities and (ii) the Conversion Price in effect on the date of the announcement of the terms of the issue of such securities;
4. when the rights of conversion, exchange or subscription attached to any such securities as are mentioned in paragraph (g) above (other than in accordance with the terms of such securities) are modified so that the consideration per Share is less than the higher of (i) 80% of the market price on the date of the announcement of the proposals for such modification and (ii) the Conversion Price then in effect on the date of the announcement of the proposals for such modification.

We have noted that the Proposed Amendments will cancel the adjustment mechanism of the Convertible Bonds, Unis Technology Strategy is no longer protected against the Subject Dilutive Events from its initial investment and will share the same per share effect to the Shareholders upon the occurrence of Subject Corporate Actions.

A comparison between the differences between the original terms of UNISTECH Subscription Agreement and the Proposed Amendments contemplated under the Supplemental Deed are set out in the Letter from the Board. The principal terms of the Convertible Bonds (as amended pursuant to the Supplemental Deed) are summarized in the Letter from the Board as well. Apart from the Proposed Amendments, all other terms of the Convertible Bonds shall remain unchanged.

In this regard, we concur with the view of the Management that the terms under the Supplemental Deed are fair and reasonable.

3. Evaluation of the Proposed Amendments

No Daily operation Impact

As stated in the Letter from the Board, the Proposed Amendments represent a waiver of rights by Unis Technology Strategy and will have no impact on the daily business operations of the Group.

Since the UNISTECH Completion took place on 30 May 2016, Unis Technology Strategy has been executing its plan as disclosed in the “Future intention regarding the Group” section in the Issuance Circular, Unis Technology Strategy intends to assist the Group to upgrade its technology, products and

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

production facilities and further expand its smart production lines and semi-conductor equipment business in the PRC. Detailed use of the proceeds has also been disclosed in the announcement made on 23 January 2017.

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the full conversion of the Convertible bonds at the Conversion Price.

Shareholders	As at the Latest Practical Date		Upon full conversion of the Convertible Bonds at the Conversion Price	
	Number of Shares	Approx. %	Number of Shares	Approx. %
Unis Technology Strategy	986,829,420	67.82	1,356,829,420	74.35
Mr. But	89,867,168	6.18	89,867,168	4.92
Independent Shareholders	<u>378,303,412</u>	<u>26.00</u>	<u>378,303,412</u>	<u>20.73</u>
Total	<u>1,455,000,000</u>	<u>100.00</u>	<u>1,825,000,000</u>	<u>100.00</u>

Note: For illustrative purpose only, as stated above in the Letter from the Board, no exercise of conversion rights attaching to the Convertible Bonds shall be allowed if the conversion would result in the Company breaching the minimum public float requirement under Rule 8.08 of the Listing Rules.

As presented in the above shareholding table, the shareholding of the Independent Shareholders would decrease from approximately 26.00% to approximately 20.73% immediately after the full conversion of the Convertible bonds, representing a maximum dilution of approximately 5.27%.

As shown in the table above, Unis Technology Strategy is the controlling shareholder of the Company as at the Latest Practicable Date. After the Proposed Amendments, the conversion of the Convertible Bonds will have no material impact on the existing shareholder of the Company. As stated above, Unis Technology Strategy has shown a strong commitment to bring the Company to achieve its business goals and enhance the returns to the Shareholders. As Unis Technology Strategy will remain as the controlling shareholder after the Proposed Amendments and potential dilution effect to Shareholders will be eliminated, we consider that the Proposed Amendments is acceptable.

As disclosed in the announcement made by the Company on 17 February 2017, 27 September 2016 and 20 April 2016, Unis Technology Strategy has been arranging suitable candidates to manage the Group. We've also noted that Proposed Amendments would not affect the position of Unis Technology Strategy as the controlling shareholder of the Company.

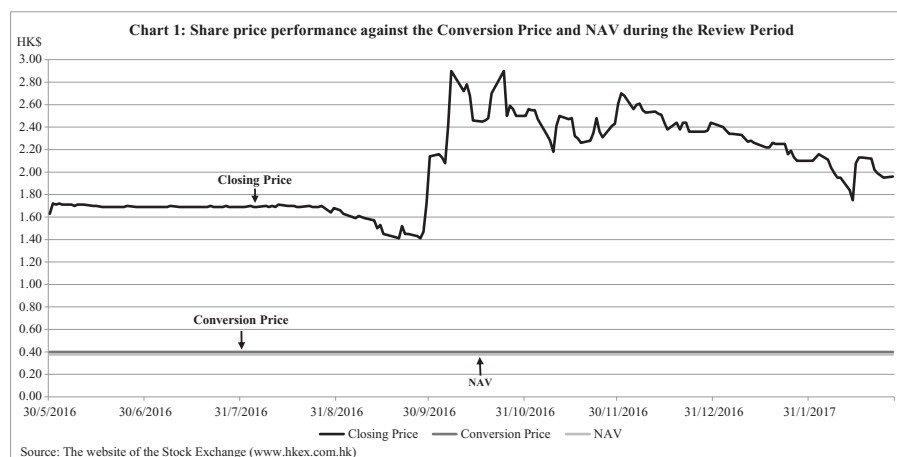
LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

Per discussion with the management of Unis Technology Strategy, even though the Proposed Amendments will negate the right of Unis Technology Strategy to protect itself upon the occurrence of Subject Corporate Actions that may reduce its potential shareholding of the Company. Unis Technology Strategy has agreed to the Proposed Amendments as a way to show its support to the Company. Therefore, we believe the Proposed Amendments are in the interest of the Company and shareholders as a whole.

Flexibility in future funding

As stated in the Letter from the Board, according to the original terms and conditions of the Convertible Bonds, the Conversion Price will be adjusted downwards if the Company undertakes Subject Corporate Actions set forth in the Subject Dilutive Events at price per Share substantially higher than the initial Conversion Price but less than 80% of the market price on the date of the announcement of the terms of the issue or the proposals.

Chart 1 below demonstrates the daily closing price of the Shares against the Conversion Price and consolidated net asset value per Share of the Company as at 30 September 2016 (“NAV”) for the period commencing from 30 May 2016 (being the date of the issue of the Convertible Bonds) up to the Latest Practicable Date (the “Review Period”).

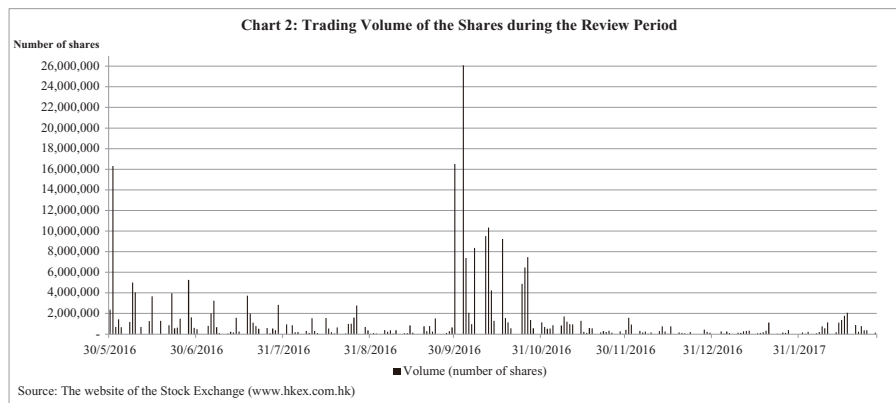


As observed from Chart 1, we have noted that the closing Share prices were traded within the range of HK\$1.41 to HK\$2.90 during the Review Period with an average closing Share price of approximately HK\$2.028. The Conversion Price represents (i) a discount of approximately 86.21% to the aforesaid highest closing price of the Shares during the Review Period; (ii) a discount of approximately 71.63% over the aforesaid lowest closing price of the Shares during the Review Period; and (iii) a discount of approximately 80.27% to the aforesaid average closing price of the Shares during the Review Period.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

The NAV of HK\$0.379 is calculated based on the total net asset published in the Interim Report divided by the total issued Share Capital as at the Latest Practicable Date. We have noted that the NAV is also substantially lower than the market prices of the Company during the Review Period. The NAV represents a discount of approximately 81.31% to the average closing Share price during the Review Period and a discount of approximately 5.25% to the Conversion Price.

Chart 2 below demonstrates the daily trading volume of the Shares during the Review Period.



According to Chart 2, we noted that the daily trading volume of the Shares is within the range of 0 shares to 26,081,197 shares, representing approximately 0.00% to 1.79% of the Company's total outstanding Shares. The average daily trading volume of the Shares per day during the Review Period is 1,390,293 shares, representing approximately 0.10% of the Company's total outstanding Shares. As the trading volume of the Shares during the Review Period was relatively thin, indicating a generally low liquidity of the Shares.

As discussed above, the Subject Dilutive Events would occur when the price per Share issued is less than the higher of (i) 80% of the market price on the date of announcement of the terms of the issue or grant and (ii) the Conversion Price then in effect on the date of the announcement of the terms of the issue or grant.

As the Shares have been trading on market prices substantially over the initial Conversion Price of HK\$0.4 and net asset value per Share of HK\$0.379 as at 30 September 2016 and the trading activity of the Company's Shares are not active during the Review Period, we believe the Subject Dilutive Events have limited the options and timing of fund raising exercises that can be conducted by the Company in order to avoid dilution to the Independent Shareholders. Therefore, we concur with the Management's view that the Proposed Amendments would allow the Company to have more flexibility for future fund raising exercises without concerns on the adjustments to the Conversion Price and are in the interest of the Company and the Shareholders as a whole.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

Positive Impact to the Financial Statement of the Company

Set out in the table below is a summary of the Company's consolidated net assets, as at the 30 September 2016, as extracted from the Interim Report.

	For the six months ended 30 September 2016 HKD
Net Assets	552,541,000
Number of shares before conversion	1,455,000,000
Number of shares after conversion	1,825,000,000
Net assets per share before conversion	0.379
Net assets per share after conversion	0.302

Based on above, we noted that the decrease in net assets per share is approximately 20.31% if the Convertible Bond is converted at the Conversion Price. We are aware of that the NAV will be further decreased if the Subjective Dilutive Events are triggered.

Therefore, we concur with the Management's view that the consequential cancellation of the corresponding dilutive effect on the share capital of the Company may lead to protection of the NAV being further decreased.

We have also reviewed the relevant accounting standard and discussed with the Management regarding the effect to the financial statements of the Company due to the Proposed Amendments. We understand that the conversion feature under the original terms of the Convertible Bond failed to meet the "fixed to fixed" criterion under HKAS 32 and the whole convertible bond has to be assessed as a financial liability and valued based on fair value. However, the Proposed Amendments would allow the Convertible Bond to be classified as a compound instrument and a relatively smaller financial liability will be recognized accordingly.

Based on abovementioned, we concur with the Management that the Proposed Amendments could provide a positive financial effect brought to the Group.

Our View

Based on abovementioned factors, we concur with the view of the Management that entering into the Supplemental Deed and the Proposed Amendments thereunder and the grant of the Specific Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM ORIENT CAPITAL (HONG KONG) LIMITED

RECOMMENDATION

Having considered the above principal factors and reasons, we consider that although the Supplemental Deed and the Proposed Amendments contemplated thereunder are not within the ordinary and usual course of business of the Group, the entering into of the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate are fair and reasonable, are on normal commercial terms or better and in the interests of Independent Shareholders are concerned, and, from those perspectives, are in the interest of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions to approve the Supplemental Deed and the Proposed Amendments contemplated thereunder and the grant of the Specific Mandate at the SGM. Independent Shareholders are however advised to take note of the possible dilution effect on their shareholding in the Company upon conversion of the Convertible Bonds.

Yours faithfully,
For and on behalf of
Orient Capital (Hong Kong) Limited
Jiang Jun
Managing Director
Investment Banking

Ms. Jiang Jun is a licensed person of the Securities and Future Commission of Hong Kong and a Responsible Officer of Orient Capital to carry out Type 6 (advising on corporate finance) regulated activity as defined under the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), and has over 9 years of experience in corporate finance in Hong Kong.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, none of the Directors, the chief executives of the Company or their associates had or was deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register pursuant to Section 352 of the SFO; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

Details of positions of the Directors in the companies which have interests in the shares and underlying shares of the Company, which fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, are set out as follows:

Name of Director	Position(s) held in the Company	Position(s) held in the companies which has an interest in the shares and underlying shares of the Company
Mr. Wang Huixuan	Chairman and executive Director	Executive Director and co-president of Tsinghua Unigroup (<i>Note 1</i>)
Mr. Li Zhongxiang	Non-executive Director	Vice Chairman of Tsinghua Unigroup and secretary of the board of Tsinghua Holdings (<i>Note 1</i>)
Mr. Qi Lian	Executive Director	Executive Director and co-president of Tsinghua Unigroup (<i>Note 1</i>)

Note:

1. As at the Latest Practicable Date, Tsinghua Unigroup was owned as to 51% by Tsinghua Holdings and Unis Technology Strategy was an indirect wholly owned subsidiary of Tsinghua Unigroup. Under the SFO, Tsinghua Holdings, Tsinghua Unigroup and Unis Technology Strategy are deemed to be interested in the same number of Shares held by Unis Technology Strategy.

Save as disclosed above, as at the Latest Practicable Date, no other Director was a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. COMPETING BUSINESS INTERESTS OF DIRECTORS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective close associates had any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENT OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which had been, since 31 March 2016 (the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group. None of the Directors was materially interested in any contract or arrangement which is significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given opinions or advices which are contained in this circular:

Name	Qualification
Orient Capital	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Orient Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and report and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, Orient Capital did not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Orient Capital did not have any interest, direct or indirect, in any assets which had been, since 31 March 2016 (the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save as disclosed in the Interim Report 2016 of the Company dated 22 December 2016, the Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 March 2016, being the date to which the latest published audited financial statements of the Group were made up.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any business day at the principal place of business in Hong Kong of the Company at Unit 02-03, 69/F, International Commerce Centre, 1 Austin Road West, Tsim Sha Tsui, Kowloon, Hong Kong from the date of this circular up to and including the date of the SGM:

- (a) the UNISTECH Subscription Agreement;
- (b) the Supplemental Deed;
- (c) this circular;
- (d) the letter of advice from Orient Capital, the text of which is set out on pages 23 to 32 of this circular; and
- (e) the written consent referred to in the paragraph headed “Expert’s Qualification and Consent” in this appendix.

9. MISCELLANEOUS

- (a) The headquarters, head office and principal place of business in Hong Kong of the Company is at Unit 02-03, 69/F, International Commerce Centre, 1 Austin Road West, Tsim Sha Tsui, Kowloon, Hong Kong. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

- (b) The Hong Kong share registrar and transfer office of the Company is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The company secretary of the Company is Mr. Liu Wei, a member of The Hong Kong Institute of Chartered Secretaries.
- (d) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.



紫光控股
UNIS HOLDINGS

UNISPLENDOUR TECHNOLOGY (HOLDINGS) LIMITED

紫光科技(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 00365)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Unisplendour Technology (Holdings) Limited (the “**Company**”) will be held at Unit 02-03, 69/F, International Commerce Centre, 1 Austin Road West, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 30 March 2017 at 9:00 a.m. (or any adjournment thereof), for the purpose of considering and, if thought fit, passing with or without modifications the following resolution as ordinary resolution of the Company. Capitalised terms used herein without definition shall have the same meanings as in the circular issued by the Company on 15 March 2017 (the “**Circular**”), unless the context otherwise requires.

ORDINARY RESOLUTION

“That

- (a) the Supplemental Deed dated 7 March 2017 entered into between the Company and Unis Technology Strategy pursuant to which the Company and Unis Technology Strategy agreed to amend certain terms and conditions of the Convertible Bonds to the effect that the Conversion Price shall not be subject to further adjustment of the occurrence of dilutive events set forth in paragraph (d), (f), (g) and (h) under the heading of “Anti-dilution adjustments” in the Issuance Circular (the “**Subject Dilutive Events**”) (the “**Proposed Amendments**”) be and is hereby approved, confirmed and ratified, a copy of which is produced to the meeting marked “A” and initialled by the chairman of the SGM for the purpose of identification;
- (b) subject to the Stock Exchange’s approval for the Proposed Amendments pursuant to the Listing Rules and the Listing Committee’s approval for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange, the Board be and is hereby granted a Specific Mandate for the allotment and issue of the Conversion Shares pursuant to the terms and conditions of the Convertible Bonds as amended by the Supplemental Deed (the “**Specific Mandate**”); and

* for identification purpose only

- (c) any Director be and is hereby authorised for and on behalf of the Company to do such acts and things, to sign and execute all such further documents and to take such steps as he may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Supplemental Deed and the Proposed Amendments contemplated thereunder and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith.”

Yours faithfully,
On behalf of the Board
Unisplendour Technology (Holdings) Limited
Wang Huixuan
Chairman

Hong Kong, 15 March 2017

Notes:

- (1) A Shareholder of the Company entitled to attend and vote at the special general meeting of the Company is entitled to appoint another person as his proxy to attend and, subject to the provisions of the Bye-laws of the Company, vote on his behalf. A Shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a Shareholder of the Company.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing. If the appointer is a corporation, then the instrument shall be signed under seal or under hand of an officer, attorney or other person authorised in writing.
- (3) In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority, must be deposited at the office of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for the holding of the special general meeting or any adjournment thereof in order for such documents to be valid. Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person should he so desire and in such event the instrument appointing a proxy shall be deemed to be revoked.