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Anacle Systems Limited
安科系統有限公司*

(incorporated in the Republic of Singapore with limited liability)

**LISTING ON THE GROWTH ENTERPRISE MARKET
OF THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF PLACING**

Number of Placing Shares : 100,000,000 Shares
**Placing Price : HK\$0.74 per Placing Share, plus
brokerage of 1%, Stock Exchange trading
fee of 0.005% and SFC transaction levy of
0.0027%**
Nominal value : Nil
Stock code : 8353

Sole Sponsor and Sole Global Coordinator



Joint Bookrunners



CROSBY

Joint Lead Managers



CROSBY



* For identification purpose only

SUMMARY

- The Placing Price has been determined at HK\$0.74 per Placing Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).
- Based on the Placing Price of HK\$0.74 per Placing Share, the net proceeds of the Placing to be received by the Company after deducting underwriting fees and commissions and other related expenses in connection with the Placing are estimated to be approximately HK\$53.6 million. The Directors intend to apply the net proceeds from the Placing in accordance with the purposes set forth in the section headed “Future Plans and Use of Proceeds” in the Prospectus.
- The 100,000,000 Placing Shares offered under the Placing were slightly oversubscribed and have been conditionally allocated to a total of 128 selected professional, institutional, and other investors in Hong Kong and Singapore.
- A total of 70 placees have been allotted one board lot of Placing Shares, representing approximately 54.7% of the 128 placees under the Placing.
- The Offer Size Adjustment Option was not exercised by the Sole Global Coordinator (for itself and on behalf of the Underwriters), and the Offer Size Adjustment Option has lapsed and cannot be exercised at any future dates.
- The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company, any of the Directors, chief executive, Controlling Shareholders, substantial Shareholders or significant Shareholders of the Company or any of its subsidiaries, and their respective close associates (as defined under the GEM Listing Rules) or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominee of the foregoing. No placee, individually, has been or will be placed with more than 10% of the enlarged issued share capital of the Company immediately after the completion of the Placing. The Directors confirm that there will not be any new substantial Shareholder of the Company immediately after the completion of the Placing within the meaning of the GEM Listing Rules.

- The Directors confirm that immediately after the completion of the Placing, the Placing Shares will represent approximately 25.05% of the enlarged issued share capital of the Company (without taking into account the Shares to be issued upon exercise of the Pre-IPO Share Options and Post-IPO Share Options). Taking into consideration the Shares held by OWW Investments III and Mr. LEE Ching Yen Stephen (which will be counted towards our public float for the purpose of the GEM Listing Rules), the aggregate public float of the Company will be approximately 30.5% of the enlarged issued share capital of the Company immediately after the completion of the Placing (without taking into account the Shares to be issued upon exercise of the Pre-IPO Share Options and Post-IPO Share Options), and not more than 50% of the Shares in public hands will be owned by the three largest public Shareholders at the time of the Listing (without taking into account the Shares to be issued upon exercise of the Pre-IPO Share Options and Post-IPO Share Options).
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 16 December 2016. Shares will be traded in board lots of 3,000 Shares each. The stock code of the Shares is 8353.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PLACING PRICE AND USE OF PROCEEDS

Pursuant to the Price Determination Agreement entered into between the Company and the Sole Global Coordinator (for itself and on behalf of the Underwriters) on Friday, 9 December 2016, the Placing Price has been determined at HK\$0.74 per Placing Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%). The net proceeds of the Placing to be received by the Company after deducting underwriting fees and commissions and other related expenses in connection with the Placing are estimated to be approximately HK\$53.6 million. The Directors intend to apply the net proceeds from the Placing in accordance with the purposes set forth in the section headed “Future Plans and Use of Proceeds” in the Prospectus as follows:

- approximately 0.8% or HK\$0.4 million (equivalent to approximately S\$0.1 million) of the net proceeds for acquiring and setting up data centre infrastructure which constitutes six to eight servers located in Singapore;
- approximately 16.9% or HK\$9.1 million (equivalent to approximately S\$1.7 million) of the net proceeds for enhancing and expanding our product offerings;
- approximately 22.9% or HK\$12.3 million (equivalent to approximately S\$2.3 million) of the net proceeds for strengthening our sales and marketing efforts, and reinforcing our brand and product images;
- approximately 23.8% or HK\$12.7 million (equivalent to approximately S\$2.3 million) of the net proceeds for acquiring foreign companies in Hong Kong or the PRC and in Qatar or the UAE which specialise in providing enterprise application software;

- (e) approximately 29.7% or HK\$15.9 million (equivalent to approximately S\$2.9 million) of the net proceeds for setting up a manufacturing, assembly and testing plant; and
- (f) approximately 5.9% or HK\$3.2 million (equivalent to approximately S\$0.6 million) of the net proceeds for our Group's general working capital.

LEVEL OF INDICATION OF INTERESTS UNDER THE PLACING AND THE OFFER SIZE ADJUSTMENT OPTION

The 100,000,000 Placing Shares offered under the Placing were slightly oversubscribed. A total of 70 placees have been allotted one board lot of Placing Shares, representing approximately 54.7% of the 128 placees under the Placing. The Offer Size Adjustment Option was not exercised by the Sole Global Coordinator (for itself and on behalf of the Underwriters), and the Offer Size Adjustment Option has lapsed and cannot be exercised at any future dates.

RESULTS OF ALLOCATION

Pursuant to the Placing, 100,000,000 Placing Shares have been conditionally allocated to a total of 128 selected professional, institutional and other investors in Hong Kong and Singapore. The distribution of the Placing Shares is set out below:

	Aggregate number of Placing Shares allocated	Aggregate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after the completion of the Placing (without taking into account the Shares to be issued upon exercise of the Pre-IPO Share Options and Post-IPO Share Options)
Top placee	20,259,000	20.26%	5.08%
Top 5 placees	54,366,000	54.37%	13.62%
Top 10 placees	71,232,000	71.23%	17.85%
Top 25 placees	92,194,000	92.19%	23.10%

Number of Placing Shares allocated	Number of places
3,000 to 30,000	79
30,001 to 300,000	13
300,001 to 3,000,000	29
3,000,001 to 10,000,000	4
10,000,001 and above	3
Total	128

The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company, any of the Directors, chief executive, Controlling Shareholders, substantial Shareholders or significant Shareholders of the Company or any of its subsidiaries, and their respective close associates (as defined under the GEM Listing Rules) or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee, individually, has been or will be placed with more than 10% of the enlarged issued share capital of the Company immediately after the completion of the Placing. The Directors confirm that there will not be any new substantial Shareholder of the Company immediately after completion of the Placing within the meaning of the GEM Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of no less than 25% of its total number of issued shares at the time when the Shares commence dealings on GEM and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be owned by the three largest public Shareholders. The Directors confirm that immediately after the completion of the Placing, the Placing Shares will represent approximately 25.05% of the enlarged issued share capital of the Company (without taking into account the Shares to be issued upon exercise of the Pre-IPO Share Options and Post-IPO Share Options). Each of OWW Investments III and Mr. LEE Ching Yen Stephen is not a core connected person of the Company. They have confirmed that they are independent of the Company and the connected persons of the Company aside from their shareholding interests in the Company, which do not constitute substantial shareholding under the GEM Listing Rules. As such, their shareholding interests of approximately 5.49% of the enlarged issued share capital of the Company (without taking into account the Shares to be issued upon exercise of the Pre-IPO Share Options and Post-IPO Share Options) will be counted towards the public float of the Company for the purpose of Rule 11.23(9) of the GEM Listing Rules. Taking into consideration the Shares held by these Shareholders, the aggregate public float of the Company will be approximately 30.5% of the enlarged issued share capital of the Company immediately after the completion of the Placing (without taking into account the Shares to be issued upon exercise of the Pre-IPO Share Options and Post-IPO Share Options), and not more than 50% of the Shares in public hands will be owned by the three largest public Shareholders at the time of the Listing (without taking into account the Shares to be issued upon exercise of the Pre-IPO Share Options and Post-IPO Share Options).

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares in issue and to be issued on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date (i.e. Friday, 16 December 2016) or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for application monies paid. The Company will not issue temporary documents of title.

The share certificates for the Placing Shares allotted and issued to the placees will be deposited into, and to be distributed via CCASS on Friday, 16 December 2016 for credit to the relevant CCASS Participants' stock accounts designated by the Sole Global Coordinator (for itself and on behalf of the Underwriters), the placees or their respective agents (as the case may be).

Prospective investors of the Placing Shares should note that the Sole Global Coordinator (for itself and on behalf of the Underwriters) is entitled to terminate the Underwriting Agreement with immediate effect by giving notice in writing to the Company upon the occurrence of any of the events set forth under the paragraph headed "Underwriting – Grounds for Termination" in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date, which is expected to be 16 December 2016. In the event that the Underwriting Agreement is terminated, the Placing will lapse and an announcement will be published by the Company on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.anacle.com accordingly.

All Share certificates are expected to be issued on the Listing Date, which is expected to be Friday, 16 December 2016 but will only become valid at or before 8:00 a.m. on that date, provided that the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms at or before that time. Investors who trade Shares prior to the Share certificates becoming valid do so entirely at their own risk.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 16 December 2016. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.anacle.com. The Shares will be traded in board lots of 3,000 Shares each. The stock code of the Shares is 8353.

On behalf of the Board
Anacle Systems Limited
Lau E Choon Alex
Executive Director and Chief Executive Officer

Hong Kong, 15 December 2016

As at the date of this announcement, the executive Directors are Mr. Lau E Choon Alex and Mr. Ong Swee Heng; the non-executive Directors are Mr. Lee Suan Hiang, Prof. Wong Poh Kam and Mr. Robert Chew; and the independent Non-executive Directors are Mr. Alwi Bin Abdul Hafiz, Mr. Elango Subramanian and Mr. Li Man Wai.

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 and a copy of the Prospectus will remain on the Stock Exchange's website at www.hkexnews.hk and in the case of this announcement, on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement and a copy of the Prospectus are also published on the Company's website at www.anacle.com.