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Goldenmars Technology Holdings Limited
晶芯科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3638)

DISCLOSEABLE TRANSACTION
DISPOSAL OF EQUITY INTEREST IN
BOZHOU BOTONG INFORMATION TECHNOLOGY COMPANY LIMITED

On 15 June 2016 (after trading hours), Bodatong Technology, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which Bodatong Technology has agreed to sell and the Purchaser has agreed to purchase 12.42% of the equity interests in Bozhou Botong at a consideration of RMB19,250,000 (equivalent to approximately HK\$22,680,000). Upon completion, the Company will cease to have any direct or indirect equity interests in Bozhou Botong.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the completion of the Disposal is subject to fulfilment of the conditions set out in this announcement and exercise caution when dealing in the shares of the Company.

THE SALE AND PURCHASE AGREEMENT

Date: 15 June 2016

Parties: (1) Seller: Bodatong Technology, a wholly-owned subsidiary of the Company
(2) Purchaser: Shenzhen Shi Futian Qu Saige Dianshichang Jinghe Jing Ying Bu* (深圳市福田區賽格電子市場晶禾經營部)

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and any of its connected persons within the meaning of the Listing Rules.

Assets to be disposed of

The 12.42% of the equity interests in Bozhou Botong

Consideration

The consideration for the Disposal is RMB19,250,000 (equivalent to approximately HK\$22,680,000). Pursuant to the Sale and Purchase Agreement, the consideration is payable by the Purchaser in cash by three instalments, namely (1) the first instalment of RMB1,000,000 shall be payable within 30 days from the date of the Sale and Purchase Agreement, (2) the second instalment of RMB9,125,000, representing 50% of the remaining consideration shall be payable within 180 days from the date of the Sale and Purchase Agreement, and (3) the final instalment of RMB9,125,000, represent the remaining balance shall be payable within 180 days from the date of the second instalment. The Consideration was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement by reference to the business prospects and asset value of Bozhou Botong. The Board considers that the Consideration is fair and reasonable and on normal commercial terms and the Disposal is in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion of the Sale and Purchase Agreement is subject to the satisfaction of the following conditions:-

1. The transaction has been approved by the resolution of the board of directors of Bozhou Botong; and
2. All approvals, consents, and/or permits for the transaction have been obtained from relevant PRC authorities.

Completion

Upon Completion of the Sale and Purchase Agreement, the Company will cease to have any direct or indirect equity interest in Bozhou Botong.

INFORMATION OF THE PURCHASER

Shenzhen Shi Futian Qu Saige Dianshichang Jinghe Jing Ying Bu* (深圳市福田區賽格電子市場晶禾經營部) (“the **Purchaser**”), a company incorporated in the PRC and is principally engaged in trading of electronic and computer components and products.

INFORMATION OF BOZHOU BOTONG

Bozhou Botong was duly established on 20 December 2013 in PRC. It is principally engaged in manufacturing and sales of smartphones and computer peripheral products. As the date of this announcement and immediate before Completion of the Sale and Purchase Agreement, the equity interests of Bozhou Botong is held as to 12.42% by Bodatong Technology, as to 38.03% by VST Computers (H.K.) Limited, as to 3.71% by Mr. Zhu He and as to 45.84% by Qian Hai Rui Geng Investments Company Limited.

Set out below is the audited financial information of Bozhou Botong for the financial year ended 31 March 2014 and 2015 respectively:

	For the year ended	
	31 March	
	2015	2014
	<i>HK\$</i>	<i>HK\$</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	6,835	–
Loss before taxation	(18,063)	(651)
Net loss after taxation	(18,063)	(651)

The closing net assets of Bozhou Botong as at 31 March 2015 and 2014 was approximately HK\$125,915,000 and HK\$68,600,000 respectively. Further, based on the management accounts of Bozhou Botong, the unaudited total assets and total equity of Bozhou Botong as at 31 March 2016 were HK\$257,516,000 and HK\$137,317,000.

FINANCIAL IMPACT ON THE GROUP AND APPLICATION OF THE PROCEEDS FROM THE DISPOSAL

It is expected that the Group will record an unaudited gain of approximately HK\$5.7 million (before taxation) from the Disposal, based on the unaudited carrying value of the investment in Bozhou Botong as stated in the management accounts of the Group as at 31 May 2016. The actual amount of the gain or loss on the disposal to be recognized in the consolidated financial statements of the Group will be based on the net assets/liabilities and financial results of Bozhou Botong at the date of the Completion and also subject to review and audit by auditor of the Company and therefore may vary from the expected amount mentioned above.

The net proceeds of approximately HK\$22.6 million as result of the Disposal will be applied as general working capital for the Group.

REASONS FOR THE DISPOSAL

The Group is principally engaged in manufacturing and sales of DRAM modules, USB flash drives and other data memory products, as well as trading of data memory related components including DRAM chips, NAND flash chips and CPU chips and other computer peripheral products.

As disclosed in the Group's annual reports for the year ended 31 March 2014 and 31 March 2015 respectively and the Group's unaudited third quarterly report for the nine-month period ended 31 December 2015, the Group's share of loss of investment in Bozhou Botong amounted to approximately HK\$228,000, HK\$3,665,000 and HK\$3,244,000 respectively. Having regard to the increasingly challenging business environment in the business sector which Bozhou Botong operates and the operation of Bozhou Botong and in particular, its prospective capital that may needs, the Board is of the view that it is in the interests of the Company and its shareholders as a whole to withdraw its investment in Bozhou Botong so that the Group can focus its time and resources on its existing business. The Disposal represents an opportunity to dispose of loss-making business and be released from the indebtedness and other obligations that may associate with that business.

The disposal of Bozhou Botong can also increase the cash resources of the Group for further development and expansion of its businesses and for other better investment opportunities as and when they arise.

The Directors consider that the terms of the Sale and Purchase Agreement and the Disposal are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the notification announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:–

“Board”	the board of Directors of the Company
“Bodatong Technology”	Bodatong Technology (Shenzhen) Company Limited, a wholly-owned subsidiary of the Company

“Bozhou Botong”	Bozhou Botong Information Technology Company Limited, a company incorporated in the PRC
“Company”	Goldenmars Technology Holdings Limited, a company duly incorporated in the Cayman Islands with limited liability, whose shares are listed and traded on the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement in accordance with the terms of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the 12.42% of the equity interests in Bozhou Botong pursuant to the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Shenzhen Shi Futian Qu Saige Dianshichang Jinghe Jing Ying Bu* (深圳市福田區賽格電子市場晶禾經營部), a company incorporated in the PRC, being the purchaser under the Sale and Purchase Agreement
“RMB”	Renminbi Yuan, the lawful currency of the PRC
“Sale and Purchase Agreement”	the shares sale and purchase agreement dated 15 June 2016 entered into between Bodatong Technology and the Purchaser in relation to the sale and purchase of the 12.42% of the equity interests in Bozhou Botong

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

By Order of the Board
Goldenmars Technology Holdings Limited
George Lu
Chairman

Hong Kong, 15 June 2016

As at the date of this announcement, the executive Directors of the Company are George Lu, Shen Wei, and Lau Wing Sze; and the independent non-executive Directors of the Company are Pang Chung Fai Benny, Loo Hong Shing Vincent and Yeung Wai Fai Andrew.

* *For Identification Purposes Only*