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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



前海證券有限公司
Qian Hai Securities Limited

THE PLACING

On 6 October 2016 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 330,000,000 Placing Shares at the Placing Price of HK\$0.46 per Placing Share to not less than six Placees, who and whose beneficial owners shall be Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 15 August 2016.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, the maximum number of Placing Shares under the Placing represents (i) approximately 9.36% of the existing issued share capital of the Company of 3,526,560,000 Shares as at the date of this announcement; and (ii) approximately 8.56% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be approximately HK\$275,000.

The Placing Price of HK\$0.46 per Placing Share represents (i) a discount of approximately 16.4% to the closing price of HK\$0.55 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 15.4% to the average closing price of HK\$0.544 per Share in the last five trading days immediately prior to the date of the Placing Agreement.

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$151.8 million and approximately HK\$144.2 million respectively. The net proceeds from the Placing are intended to be used for general working capital of the Group and funding investment opportunities as may be identified from time to time. The net price per Placing Share is approximately HK\$0.44.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

6 October 2016 (after trading hours)

Issuer

The Company

Placing Agent

Qian Hai Securities Limited

The Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 330,000,000 Placing Shares to not less than six Placées and the Placing Agent will receive a placing commission of 5% on the aggregate Placing Price of the Placing Shares placed by the Placing Agent (i.e. gross proceeds of the Placing) upon completion of the Placing.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent, its ultimate beneficial owner(s) and their respective associate(s) are Independent Third Parties.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placees (who are independent institutional, professional and/or other private investors), who and whose ultimate beneficial owner(s) are Independent Third Parties. If any of the Placees becomes a substantial Shareholder (as defined under the Listing Rules) after completion of the Placing, a further announcement will be made by the Company in compliance with the Listing Rules.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, the maximum number of 330,000,000 Placing Shares under the Placing represents (i) approximately 9.36% of the existing issued share capital of the Company of 3,526,560,000 Shares as at the date of this announcement; and (ii) approximately 8.56% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be approximately HK\$275,000.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.46 per Placing Share represents (i) a discount of approximately 16.4% to the closing price of HK\$0.55 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 15.4% to the average closing price of HK\$0.544 per Share in the last five trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then number of issued Shares as at the date of the AGM. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders. Under the General Mandate, the Company is authorised to issue up to 705,312,000 Shares. As at the date of this announcement, no Shares have been issued under the General Mandate.

Application for listing of Placing Shares

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Conditions of the Placing Agreement

Completion of Placing Agreement is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares to be issued under the Placing on or before the Long Stop Date.

The Company shall use all reasonable endeavors to procure the condition above is fulfilled in accordance with its terms (including by making an application to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares as soon as practicable) on or before the Long Stop Date and for that purpose will give all such undertakings, execute such documents and do such other things as may be reasonably necessary to procure the fulfillment of such conditions.

If the condition is not satisfied by the Long Stop Date, the obligations and liabilities of the Company and the Placing Agent under the Placing Agreement shall be null and void and the Company and the Placing Agent shall be released from all rights and obligations pursuant to the Placing Agreement. Neither party shall have any right to damages for any costs and expenses that it may have incurred in connection with or arising out of the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place on or before 5 November 2016, after fulfillment of the condition precedent set out in the Placing Agreement or such other time and date as may be agreed between the Placing Agent and the Company.

Termination of the Placing

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by giving notice in writing to the Company at any time prior to 10:00 a.m. on the completion date (i.e. on or before 5 November 2016, after fulfillment of the condition precedent set out in the Placing Agreement or such other time and date as may be agreed between the Placing Agent and the Company) upon the occurrence of any of the following events which, in the reasonable opinion of the Placing Agent, the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (a) any material breach of any of the representations and warranties by the Company set out in the Placing Agreement; or

- (b) any of the following events:
- i. the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - ii. the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Placing Agreement and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - iii. the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - iv. a change or development involving a prospective change in taxation in Hong Kong, the Cayman Islands, the British Virgin Islands or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
 - v. any change or deterioration in the conditions of local, national or international securities markets occurs.

Upon termination of the Placing Agreement pursuant to the above paragraphs, all obligations of each of the Placing Agent and the Company under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the business of computer and peripheral products. The maximum gross proceeds and net proceeds from the Placing will be HK\$151.8 million and approximately HK\$144.2 million respectively. The net proceeds from the Placing are intended to be used for general working capital of the Group and funding investment opportunities as may be identified from time to time. The net price per Placing Share is approximately HK\$0.44.

The Directors have considered various ways of raising funds and believe that the Placing represents an opportunity to raise capital for the Company while broadening its Shareholder and capital base. It also signifies the confidence of the Placees in the potential of the Company and demonstrates their willingness to support the Company.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Placing Agreement and Subscription Agreement are fair and reasonable and are on normal commercial terms and the Placing and Subscription are in the interest of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

During the past twelve months immediately preceding the date of this announcement, the Company had not conducted any equity fund raising activities.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is set out as below:

	Shareholding at the date of this announcement		Shareholding immediately after completion of the Placing (assuming that the maximum number of Placing Shares is placed and there will be no other change in the issued share capital of the Company between the date of this announcement and completion of the Placing)	
	Shares	Approximate shareholding %	Shares	Approximate shareholding %
Forever Star Capital Limited (Note 1)	2,155,680,000	61.13	2,155,680,000	55.90
China Yinsheng Securities Limited (Note 2)	509,088,000	14.44	509,088,000	13.20
Nice Rate Limited (Note 3)	4,320,000	0.12	4,320,000	0.11
Ms. Lau Wing Sze (Note 3)	18,936,000	0.54	18,936,000	0.49
The Placees	–	–	330,000,000	8.56
Other public shareholders	838,536,000	23.77	838,536,000	21.74
	<u>3,526,560,000</u>	<u>100</u>	<u>3,856,560,000</u>	<u>100</u>

Notes:

- (1) Each of Mr. George Lu and Ms. Shen Wei holds 50% interest in Forever Star Capital Limited respectively. These shares have been pledged to Guotai Junan Finance (Hong Kong) Limited. According to the information available to the Company, Guotai Junan Finance (Hong Kong) Limited is wholly owned by Guotai Junan (Hong Kong) Limited. Guotai Junan (Hong Kong) Limited is wholly owned by Guotai Junan International Holdings Limited. Guotai Junan International Holdings Limited is 65.17% owned by Guotai Junan Holdings Limited. Guotai Junan Holdings Limited is wholly owned by Guotai Junan Financial Holdings Limited. Guotai Junan Financial Holdings Limited is wholly owned by Guotai Junan Securities Co., Ltd. Guotai Junan Securities Co., Ltd. is 36.22% owned by Shanghai International Group Co., Ltd.
- (2) According to the information available to the Company, China Yinsheng Securities Limited is the custodian of these 509,088,000 shares. Among these shares, 506,088,000 shares are held by certain companies of which Mr. Yao Jianhui is deemed to be beneficial interested in the shares. Among those 506,088,000 shares, 180,000,000 shares are held by KB Credit Limited, which is a company wholly owned by Stellar Result Limited. Stellar Result Limited is wholly owned by China Foresea Finance Group Limited. China Foresea Finance Group Limited is 80% owned by Great Sphere Developments Limited. 326,088,000 shares are held by Great Sphere Developments Limited, which is a company wholly owned by China Goldjoy Group Limited. China Goldjoy Group Limited is 49.99% owned by Tinmark Development Limited, which is wholly owned by Mr. Yao Jianhui.
- (3) Ms. Lau Wing Sze is deemed to be interested in this shareholding interest through Nice Rate Limited, which is a company wholly owned by Ms. Lau Wing Sze.

TERMS AND DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“AGM”	the annual general meeting of the Company held on 15 August 2016
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“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
“Director(s)”	the director(s) of the Company

“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company (being 3,526,560,000 Shares) as at the date of the AGM, which was equivalent to 705,312,000 Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	28 October 2016 (or such later date as may be agreed by the Parties in writing)
“Placee(s)”	any institutional, professional and/or other private investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the proposed placing of up to 330,000,000 Placing Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Qian Hai Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), acting as the placing agent of the Placing Shares under the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 6 October 2016 in relation to the Placing
“Placing Price”	HK\$0.46 per Placing Share
“Placing Share(s)”	up to 330,000,000 new Shares to be placed pursuant to the Placing Agreement

“Share(s)”	ordinary share(s) of HK\$0.0008333 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Goldenmars Technology Holdings Limited
George Lu
Chairman & Chief Executive Officer

Hong Kong, 6 October 2016

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