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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: 8036)

**DISCLOSEABLE TRANSACTION –
DEEMED DISPOSAL OF EQUITY INTEREST IN A JOINT VENTURE**

CAPITAL INCREASE AGREEMENT

On 29 July 2014, Bodatong Technology (a wholly-owned subsidiary of the Company), VST Computers and Bozhou Shichuang Investment entered into the Capital Increase Agreement, pursuant to which (i) the registered capital of the JV Company shall be increased from RMB55 million to RMB115 million; and (ii) each of VST Computers and Shichuang Investment agreed to make cash contributions of RMB40.8 million and RMB19.2 million into the registered capital of the JV Company, respectively. Upon completion of the Capital Increase, the equity interests in the JV Company will be held as to 16.74% by Bodatong Technology, as to 51.26% by VST Computers, and as to 32% by Shichuang Investment.

Following completion of the Capital Increase, Bodatong Technology's equity interests in the JV Company will be diluted from 35% to 16.74%. The Capital Increase constitutes a deemed disposal for the Company pursuant to Rule 19.29 of the GEM Listing Rules. As one or more of the applicable percentage ratios of the Capital Increase exceed 5% but is less than 25%, the Capital Increase constitutes a discloseable transaction for the Company under the GEM Listing Rules, which are subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under the GEM Listing Rules.

Reference is made to the Company's announcement dated 15 November 2013 in relation to the joint venture contract entered into among Bodatong Technology, VST Computers and Shichuang Investment.

CAPITAL INCREASE AGREEMENT

Date: 29 July 2014

Parties: (1) Bodatong Technology

(2) VST Computers

(3) Shichuang Investment

Bodatong Technology

Bodatong Technology is a wholly-owned subsidiary of the Company and is engaged in manufacturing of electronic components.

VST Computers

VST Computers, a company established in Hong Kong, is a wholly-owned subsidiary of VST Holdings Limited (stock code: 856), is principally engaged in the distribution of information technology (“IT”) products and the provision of enterprise systems and IT services.

Shichuang Investment

Shichuang Investment is a company established in the PRC, with paid-up registered capital of RMB10,000,000 and is an investment holding company.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiry, VST Computers, Shichuang Investment and their respective ultimate beneficial owners are third parties, independent of the Company and Connected Persons of the Company.

Nature of Transaction

Pursuant to the Capital Increase Agreement, (i) the registered capital of the JV Company shall be increased from RMB55 million to RMB115 million; and (ii) each of VST Computers and Shichuang Investment agreed to make cash contributions of RMB40.8 million and RMB19.2 million into the registered capital of the JV Company, respectively. Upon completion of the Capital Increase, the equity interests in the JV Company will be held as to 16.74% by Bodatong Technology, as to 51.26% by VST Computers, and as to 32% by Shichuang Investment.

It is expected that VST Computers and Shichuang Investment shall pay the investment amount in full on or before 31 October 2014.

Conditions Precedent

Completion of the Capital Increase is subject to the satisfaction of the following conditions: —

1. The Capital Increase has been approved by the resolution of the board of directors of the JV Company;
2. All approvals, consents, and/or permits for the Capital Increase of the JV Company have been obtained from relevant PRC authorities; and
3. There are no events which might adversely affect the financial position, property or business prospects of the JV Company from the date of the Capital Increase Agreement to the date of Completion.

APPLICATION OF THE CAPITAL

The total investment of RMB60 million to be made by VST Computers and Shichuang Investment will be applied by the JV Company to capital expenditure and working capital.

INFORMATION OF THE JV COMPANY

The JV Company was duly established on 20 December 2013. It is principally engaged in Smartphones and tablets business, but it has not yet started operation during the year ended 31 March 2014. The emerging mainstream electronic consumer products, as well as computer peripheral products, have witnessed increasing demands in domestic and foreign markets in recent years, which results in a promising market with potential for further development as it is driven by continuous demands. The JV Company will focus on areas including research and development, production and sale of smartphones and computer peripheral products.

As stated in the Group's 2014 Annual Report, as at 31 March 2014, the JV Company has total assets and total equity of HK\$143,795,000 and HK\$68,020,000 respectively, with accumulated losses of HK\$1,231,000.

FINANCIAL IMPACT ON THE GROUP

Following completion of the Capital Increase, Bodatong Technology's equity interests in the JV Company will be diluted from 35% to 16.74%.

As at the date of this announcement, the JV Company is a jointly controlled entity of the Group, and equity method is used to account for the Company's investment in the JV Company in its consolidated financial statements. Upon completion of the Capital Increase, there will be no significant changes in the accounting treatment of the JV investment, and the JV Company will

continue to be accounted for under equity method and is expected there will not be any significant impact on both the Group's consolidated statement of financial position and consolidated income statement.

REASONS FOR AND BENEFIT OF THE TRANSACTION

The Group is principally engaged in the business of computer and peripheral products, with ample experience and research and development personnel in the electronic products industry. The investment in the JV Company allows the Group to broaden the scope of its business, resolved based on industry outlook and product demand. The dividend income from the Investment will support continuous development of the Group, and deliver more stable and attractive returns for the Group in the future. The JV Company can cause an appropriate allocation of resources to the development of related products in the electronics industry and is conducive to the long-term development of the Group, and is in the interests of the Company and the shareholders as a whole.

The Company believes the reason for not contributing to the Capital Increase of the JV Company is that the Company has to balance its financial resources with the amount of business risk of the JV Company.

VST Computers is a wholly-owned subsidiary of VST Holdings Limited, which is principally engaged in the distribution of IT products and the provision of enterprise systems and IT services. In view of the stable business environment and good prospects of the business of research and development, production and sale of smartphones and computer peripheral products in the PRC by the JV Company, the Directors consider that the Capital Increase would further strengthen the capital base of the JV Company and to further develop the business of the JV Company leveraging on its experience, expertise and resources. The Directors (including the independent non-executive Directors) consider that the terms of the Capital Increase Agreement are fair and reasonable and the Capital Increase is in the interests of the Company and its shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under the Capital Increase Agreement nor is required to abstain from voting from the Board resolutions for considering and approving the same pursuant to the articles of association of the Company.

LISTING RULES IMPLICATIONS

Upon completion of the Capital Increase, the equity interests in the JV Company will be held as to 16.74% by Bodatong Technology, as to 51.26% by VST Computers, and as to 32% by Shichuang Investment.

As Bodatong Technology's equity interests in the JV Company will be diluted from 35% to 16.74% immediately upon completion of the Capital Increase, the Capital Increase constitutes a deemed disposal for the Company pursuant to Rule 19.29 of the GEM Listing Rules.

As one or more of the applicable percentage ratios of the Capital Increase exceed 5% but is less than 25%, the Capital Increase constitutes a discloseable transaction for the Company under the GEM Listing Rules, which are subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions 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
“Capital Increase”	the increase of the registered capital of the JV Company from RMB55 million to RMB115 million by way of VST Computers and Shichuang Investment making a total cash contribution of RMB60 million into the registered capital of JV Company, pursuant to the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement dated 29 July 2014 entered into between Bodatong Technology, VST Computers and Shichuang Investment in relation to the Capital Increase
“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
“Connected Person(s)”	has the meaning ascribed to such term in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange, as amended from time to time
“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

“JV Company”	Bozhou Botong Supply Chain Co., Ltd., established by way of a contract entered into by Bodatong Technology, VST Computers and Shichuang Investment on 15 November 2013
“PRC”	the People’s Republic of China
“RMB”	Renminbi Yuan, the lawful currency of the PRC
“Shichuang Investment”	Bozhou Shichuang Investment Company Limited, a company established in the PRC, with paid-up registered capital of RMB10,000,000 and is an investment holding company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VST Computers”	VST Computers (H.K.) Limited, a company established in Hong Kong, is a wholly-owned subsidiary of VST Holdings Limited (stock code: 856)
“%”	per cent

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

Hong Kong, 30 July 2014

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, Wan Tak Shing and Loo Hong Shing Vincent.

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

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of publication and on the website of the Company at www.goldenmars.com.