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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES

On 17 November 2014, after trading hours of the Stock Exchange, the Company entered into the Placing Agreement with the Placing Agent whereby the Company agreed to place, through the Placing Agent, on a best endeavors basis, a maximum of 15,000,000 new Shares to not less than 6 Placées at a price of HK\$0.94 per Placing Share.

The maximum of 15,000,000 Placing Shares represent (i) approximately 6.02% of the issued share capital of the Company of 249,000,000 Shares as at the date of this announcement; and (ii) approximately 5.68% of the issued share capital of the Company of 264,000,000 Shares as enlarged by the issue of the 15,000,000 Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$150,000.

The Placing Price of HK\$0.94 per Placing Share represents (i) a discount of approximately 18.26% to the closing price of HK\$1.15 per Share as quoted on the Stock Exchange on 17 November 2014, being the date of the Placing Agreement; and (ii) a discount of approximately 5.43% to the average of the closing price of HK\$0.99 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 14 November 2014.

The Placing Shares will be issued under the General Mandate and therefore the Placing will not be subject to any Shareholders' approval.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$14.1 million and HK\$13.7 million respectively. The net proceeds from the Placing are intended to be used for the general working capital of the Group.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PLACING AGREEMENT

Date: 17 November 2014

Issuer: the Company

Placing Agent: CNI SECURITIES GROUP LIMITED

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined under the GEM Listing Rules).

Number of Placing Shares

Pursuant to the Placing Agreement, the Placing Agent agreed to procure, on a best endeavors basis, not less than six Placees to subscribe for a maximum of 15,000,000 Placing Shares at the Placing Price of HK\$0.94. The maximum of 15,000,000 Placing Shares represent (i) approximately 6.02% of the issued share capital of the Company of 249,000,000 Shares as at the date of this announcement; and (ii) approximately 5.68% of the issued share capital of the Company of 264,000,000 Shares as enlarged by the issue of the 15,000,000 Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$150,000.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu among themselves and with the Shares in issue at the time of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.94 per Placing Share represents (i) a discount of approximately 18.26% to the closing price of HK\$1.15 per Share as quoted on the Stock Exchange on 17 November 2014, being the date of the Placing Agreement; and (ii) a discount of approximately 5.43% to the average of the closing price of HK\$0.99 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 14 November 2014.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent on the date of the Placing Agreement with reference to the prevailing market price of the Shares.

The Directors, including the independent non-executive Directors, consider that the terms of the Placing Agreement (including the Placing Price and placing commission) are on normal commercial terms and are fair and reasonable and that the Placing is in the interests of the Company and the Shareholders as a whole.

Placees

The Placing Shares will be placed to not less than six Placees, who and whose ultimate beneficial owners are independent institutional, professional and/or individual investors, and not connected with any directors, chief executive or substantial Shareholder (if any) of the Company or its subsidiaries and their respective associates. It is expected that none of the Placees and their respective associates will become a substantial Shareholder of the Company as a result of the Placing.

Conditions of the Placing Agreement

Completion of the placing by the Placing Agent of the Placing Shares under the Placing Agreement is conditional upon:

- (i) the passing by the Board of resolutions to approve the Placing Agreement and the transactions contemplated thereunder; and
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant a listing of, and permission to deal in, the Placing Shares.

The Placing Agent and the Company shall use its best endeavors to procure the fulfilment of the conditions as set out in the Placing Agreement and in the event the conditions are not fulfilled by 1 December 2014 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and the Company and the Placing Agent shall be released from all obligations pursuant to the Placing Agreement and none of the parties shall have any claim against the others in respect of the Placing save for any antecedent breach.

Termination and force majeure

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate this Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in this Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 8:00 a.m. on the date of completion of the Placing Agreement.

In the event that the Placing Agent terminates the Placing Agreement, all obligations of each of the parties 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.

Completion

Completion shall take place at 4:00 p.m. (Hong Kong time) at the office of the Placing Agent on the fourth Business Day after the date on which all the conditions as set out in the paragraph headed "Condition" in the Placing Agreement are satisfied or such other date as the Company and the Placing Agent may agree in writing.

Placing commission

The Placing Agent shall receive a placing commission of 3% of the aggregate Placing Price of the Placing Shares placed by the Placing Agent on behalf of the Company in pursuance of its obligations in the Placing Agreement. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent with reference to the market rate.

General Mandate

The maximum of 15,000,000 Placing Shares will be issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders. Under the General Mandate, the Company is authorized to issue up to 49,800,000 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate.

The Placing Shares will be allotted and issued under the General Mandate, which remained unutilised as at the date of this announcement. Pursuant to the General Mandate, the Company is authorized to allot and issue up to 49,800,000 new Shares. Immediately upon completion of the placing, the General Mandate will be 30.12% utilised.

Application for Listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Shareholders	As at the date of this Announcement		Upon completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Forever Star Capital Limited (note 1)	179,640,000	72.14	179,640,000	68.05
Nice Rate Limited (note 2)	360,000	0.14	360,000	0.14
Ms. Lau Wing Sze	1,515,000	0.61	1,515,000	0.57
Placees	–	–	15,000,000	5.68
Public Shareholders	<u>67,485,000</u>	<u>27.11</u>	<u>67,485,000</u>	<u>25.56</u>
	<u>249,000,000</u>	<u>100</u>	<u>264,000,000</u>	<u>100</u>

Notes:

- (1) Mr. George Lu and Ms. Shen Wei are deemed to be interested in this shareholding interest through Forever Star Capital Limited, which is a company owned as to 50% by Mr. George Lu and as to 50% by Mr. Shen Wei.
- (2) 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.

REASONS FOR THE PLACING AND USE OF PROCEEDS

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 maximum gross proceeds and net proceeds from the Placing will be approximately HK\$14.1 million and HK\$13.7 million respectively. The net proceeds from the Placing are intended to be used for the general working capital of the Group.

The Directors are of the view that the Placing will strengthen the financial position of the Group, including its ability to meet any future obligations and broaden the shareholder's base. The Directors consider that the terms of the Placing, including the rate of the placing commission, are fair and reasonable based on the current market conditions. Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed above, the Company has not conducted any fund raising activities during the past 12 months immediately preceding the date of this announcement.

GENERAL

The Placing Shares will be issued under the General Mandate and therefore the Placing will not be subject to any Shareholders' approval.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:-

“AGM” the annual general meeting of the Company held on 8 August 2014

“Articles” the articles of association of the Company as amended from time to time

“Board” the board of Directors of the Company

“Business Day”	any day (other than a Saturday, a Sunday or a public holiday or a 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 licensed banks are open for general banking business in Hong Kong
“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
“GEM Listing Rules”	Rules Governing the Listing of Securities on the Growth Enterprise Market on the Stock Exchange
“General Mandate”	the general mandate granted to the Board pursuant to the resolution passed by the shareholders of the Company at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company (being 249,000,000 Shares) as at the date of passing such resolution, which is equivalent to 49,800,000 Shares
“Group”	the Company and its subsidiaries, from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Placees(s)”	any independent institutional, professional and/or individual investors who are not connected with any directors, chief executive or substantial Shareholder(s) (if any) of the Company or its subsidiaries and their respective associates
“Placing”	the placing of a maximum of 15,000,000 Placing Shares on a best endeavors basis pursuant to the terms and conditions of the Placing Agreement
“Placing Agent”	CNI SECURITIES GROUP LIMITED, a corporation licensed to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising in 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 placing agreement entered into between the Company and the Placing Agent dated 17 November 2014 in respect of the Placing
“Placing Price”	HK\$0.94 per Placing Share (excluding any SFC transaction levy, Stock Exchange trading fee and other fees or levies as may be payable by the Placees)
“Placing Shares”	a maximum of 15,000,000 Shares to be issued pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Shares”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder”	holder(s) of the Share(s)
“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, 17 November 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.