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i-CONTROL HOLDINGS LIMITED

超智能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8355)

MAJOR TRANSACTION – ACQUISITION OF PROPERTIES

THE ACQUISITIONS

On 11 June 2015:

- (a) the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Carpark Provisional Agreement with the Carpark Vendor and the Agent pursuant to which the Carpark Vendor has agreed to sell, and the Purchaser has agreed to acquire, the Carpark Property at the Carpark Consideration.

The Carpark Consideration was determined after arm's length negotiation between the Purchaser and the Carpark Vendor by reference to, among others, the prevailing market price of the properties similar to the Carpark Property and is to be satisfied in cash.

The Carpark Completion is subject to fulfilment of certain conditions precedent as set out in the subparagraph headed "Conditions precedent" of the paragraph headed "The Carpark Provisional Agreement" below.

- (b) the Purchaser entered into the Warehouse Provisional Agreement with the Warehouse Vendor and the Agent pursuant to which the Warehouse Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Warehouse Property at the Warehouse Consideration.

The Warehouse Consideration was determined after arm's length negotiation between the Purchaser and the Warehouse Vendor by reference to, among others, the prevailing market price of the properties similar to the Warehouse Property and is to be satisfied in cash.

The Warehouse Completion is subject to fulfilment of certain conditions precedent as set out in the subparagraph headed "Conditions precedent" of the paragraph headed "The Warehouse Provisional Agreement" below.

LISTING RULES IMPLICATION

As both the Carpark Vendor and the Warehouse Vendor are ultimately and beneficially owned by the same independent third party, the Carpark Acquisition and the Warehouse Acquisition shall be aggregated pursuant to Rule 19.22 of the GEM Listing Rules.

In respect of the Acquisitions, the applicable percentage ratios, where applicable, calculated by reference to Rule 19.07 of the GEM Listing Rules, are 25% or more but less than 100%. Accordingly, the Acquisitions together constitute a major transaction for the Company pursuant to Rule 19.06(3) of the GEM Listing Rules and are therefore subject to the announcement and the Shareholders' approval at an EGM requirements under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the relevant resolution to be proposed at an EGM in relation to the Provisional Agreements and the Formal Agreements and the transactions contemplated thereunder. The Company will obtain written approval for the Acquisitions, in accordance with Rule 19.44 of the GEM Listing Rules from Newmark Group, which is beneficially interested in 510,000,000 Shares, representing approximately 51% of the entire issued share capital of the Company as at this date of this announcement. As such, no EGM will be convened for the purpose of approving the Acquisitions as permitted under Rule 19.44 of the GEM Listing Rules.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) details of the Provisional Agreements and the Formal Agreements; (ii) financial information of the Group; (iii) unaudited pro forma statement of assets and liability of the Group; (iv) report in respect of the valuation of the Properties; and (v) other information as required under the GEM Listing Rules will be despatched to the Shareholders within 15 business days after the publication of this announcement.

As the Provision Agreements and the Formal Agreements are subject to a number of conditions precedent, the Provisional Agreements and/or Formal Agreements may or may not become unconditional or be completed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that after trading hours of the Stock Exchange on 11 June 2015;

- (a) the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Carpark Provisional Agreement with the Carpark Vendor and the Agent pursuant to which the Carpark Vendor has agreed to sell, and the Purchaser has agreed to acquire, the Carpark Property at the Carpark Consideration; and
- (b) the Purchaser entered into the Warehouse Provisional Agreement with the Warehouse Vendor and the Agent pursuant to which the Warehouse Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Warehouse Property at the Warehouse Consideration.

Details of the Provisional Agreements are set out below.

THE CARPARK PROVISIONAL AGREEMENT

- Date:** 11 June 2015 (after trading hours of the Stock Exchange)
- The purchaser:** The Purchaser, Deluxe Peace Limited, an indirect wholly-owned subsidiary of the Company
- The vendor:** The Carpark Vendor, UI Tech Company Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Carpark Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Asset to be acquired

The asset to be acquired by the Purchaser under the Carpark Provisional Agreement is the Carpark Property. The Carpark Property will be sold to the Purchaser on an "as is" basis.

The Carpark Property is a car parking space located at the basement floor of Pacific Trade Centre in Kwun Tong which is in close proximity to the principal place of business of the Company.

A report for the valuation of the Carpark Property prepared by an independent professional valuer will be contained in the circular to be despatched to the Shareholders.

Formal agreement

The Carpark Vendor and the Purchaser have agreed to enter into the Carpark Formal Agreement on or before 24 June 2015.

Consideration

Pursuant to the Carpark Provision Agreement, the Carpark Consideration, being HK\$2,500,000, shall be settled in cash.

The Carpark Consideration shall be settled in the following manners:

- (i) the Carpark Initial Deposit shall be paid by the Purchaser to the Carpark Vendor upon the signing of the Carpark Provisional Agreement;
- (ii) the Carpark Further Deposit shall be paid by the Purchaser to the Carpark Vendor upon the entering into the Carpark Formal Agreement; and
- (iii) the remaining balance of the consideration, being HK\$2,250,000, shall be satisfied in full by the Purchaser upon the Carpark Completion.

As at the date of this announcement, the Carpark Initial Consideration has been settled by the Purchaser in cash.

Basis of the consideration

The Carpark Consideration was determined after arm's length negotiations between the Purchaser and the Carpark Vendor by reference to, among others, the prevailing market price of properties similar to the Carpark Property of the nearby areas.

The Directors consider that the Carpark Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Source of funding

The Company will fund the Carpark Acquisition by internal resources of the Group and the net proceeds which resulted from the placing of the Shares as disclosed in the Prospectus.

Conditions precedent

The Carpark Completion is conditional upon the satisfaction of the following conditions:

- (i) all necessary consents and approvals required to be obtained on the part of the Purchaser in respect of the Carpark Acquisition having been obtained (if any); and
- (ii) the Shareholders having approved the ordinary resolution(s) to approve the Carpark Provisional Agreement and the Carpark Formal Agreement and the transactions contemplated thereunder at an EGM.

If any of the above conditions is not fulfilled by 24 June 2015, the Carpark Provisional Agreement shall terminate, whereupon the Carpark Vendor shall be entitled to retain the Carpark Initial Deposit as having been forfeited by the Purchaser and neither party shall have any further obligations towards the other.

Agency fee

On the Carpark Completion, the Purchaser and the Carpark Vendor shall pay a sum of HK\$25,000 and HK\$25,000, respectively, to the Agent as commission for services rendered by the Agent.

Completion

Subject to the fulfilment of the above conditions, the Carpark Completion will take place on or before 21 August 2015.

THE WAREHOUSE PROVISIONAL AGREEMENT

- Date:** 11 June 2015 (after trading hours of the Stock Exchange)
- The purchaser:** The Purchaser, Deluxe Peace Limited, an indirect wholly-owned subsidiary of the Company
- The vendor:** The Warehouse Vendor, SEPL Global (H.K.) Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Warehouse Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Asset to be acquired

The asset to be acquired by the Purchaser under the Warehouse Provisional Agreement is the Warehouse Property. The Warehouse Property is sold to the Purchaser on an "as is" basis.

The Warehouse Property is a series of warehouses located on the 5th floor of Pacific Trade Centre in Kwun Tong which is in close proximity to the principal place of business of the Company.

A report for the valuation of the Warehouse Property prepared by an independent professional valuer will be contained in the circular to be despatched to the Shareholders.

Formal agreement

The Warehouse Vendor and the Purchaser will enter into the Warehouse Formal Agreement on or before 24 June 2015.

Consideration

Pursuant to the Warehouse Provision Agreement, the Warehouse Consideration, being HK\$39,880,000, shall be settled in cash.

The Warehouse Consideration shall be settled in the following manners:

- (i) the Warehouse Initial Deposit shall be paid by the Purchaser to the Warehouse Vendor upon the signing of the Warehouse Provisional Agreement;
- (ii) the Warehouse Further Deposit shall be paid by the Purchaser to the Warehouse Vendor upon the entering into the Warehouse Formal Agreement; and
- (iii) the remaining balance of the consideration, being HK\$35,892,000, shall be satisfied in full by the Purchaser upon the Warehouse Completion.

As at the date of this announcement, the Warehouse Initial Consideration has been settled by the Purchaser in cash.

Basis of the consideration

The Warehouse Consideration was determined after arm's length negotiations between the Purchaser and the Warehouse Vendor by reference to, among others, the prevailing market price of properties similar to the Warehouse Property of the nearby areas.

The Directors consider that the Warehouse Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Source of funding

The Company will fund the Warehouse Acquisition by internal resources of the Group and the net proceeds which resulted from the placing of the Shares as disclosed in the Prospectus.

Conditions precedent

The Warehouse Completion is conditional upon the satisfaction of the following conditions:

- (i) all necessary consents and approvals required to be obtained on the part of the Purchaser in respect of the Warehouse Acquisition having been obtained (if any); and
- (ii) the Shareholders having approved the ordinary resolution(s) to approve the Warehouse Provisional Agreement and the Warehouse Formal Agreement and the transactions contemplated thereunder at an EGM.

If any of the above conditions is not fulfilled by 24 June 2015, the Warehouse Provisional Agreement shall terminate, whereupon the Warehouse Vendor shall be entitled to retain the Warehouse Initial Deposit as having been forfeited by the Purchaser and neither party shall have any further obligations towards the other.

Agency fee

On the Warehouse Completion, the Purchaser and the Warehouse Vendor shall pay a sum of HK\$398,800 and HK\$200,000, respectively, to the Agent as commission for the services rendered by the Agent.

Completion

Subject to the fulfilment of the above conditions, the Warehouse Completion will take place on or before 21 August 2015.

INFORMATION ABOUT THE VENDORS

To the Directors' best knowledge, information and belief, the Carpark Vendor and the Warehouse Vendor are companies both engaged in general trading. Both the Carpark Vendor and the Warehouse Vendor are ultimately and beneficially owned by the same independent third party.

INFORMATION ABOUT THE PURCHASER

The Purchaser is an indirect wholly-owned subsidiary of the Company and its principal activity is an investment holding.

REASONS FOR THE ACQUISITIONS

The Group is principally engaged in (i) the provision of solution for audiovisual, conferencing, presentation and multimedia control systems including installation services; and (ii) the audiovisual system maintenance services.

As disclosed in the Prospectus, the Company had drawn up strategies to achieve its business objectives, including but not limited to acquiring a warehouse in Hong Kong with a portion of the proceeds resulted from the placing of Shares. The Acquisitions are one of the milestone events to achieve the Company's business objective. Based on the above and having taken the Considerations and the location of the Properties into account, the Board considers that the terms of the Acquisitions are fair and reasonable and that the Acquisitions are in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATION

As both the Carpark Vendor and the Warehouse Vendor are ultimately and beneficially owned by the same independent third party, the Carpark Acquisition and the Warehouse Acquisition shall be aggregated pursuant to Rule 19.22 of the GEM Listing Rules.

In respect of the Acquisitions, the applicable percentage ratios, where applicable, calculated by reference to Rule 19.07 of the GEM Listing Rules, are 25% or more but less than 100%. Accordingly, the Acquisitions constitute a major transaction for the Company pursuant to Rule 19.06(3) of the GEM Listing Rules and are therefore subject to the announcement and the Shareholders' approval at an EGM requirements under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the relevant resolution to be proposed at an EGM in relation to the Provisional Agreements and the Formal Agreements and the transactions contemplated thereunder. The Company will obtain written approval for the Acquisitions in accordance with Rule 19.44 of the GEM Listing Rules from Newmark Group, which is beneficially interested in 510,000,000 Shares, representing approximately 51% of the entire issued share capital of the Company as at this date of this announcement. Newmark Group is wholly and jointly owned by the executive Directors and the non-executive Directors. As such, no EGM will be convened for the purpose of approving the Acquisitions as permitted under Rule 19.44 of the GEM Listing Rules.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) details of the Provisional Agreements and the Formal Agreements; (ii) financial information of the Group; (iii) unaudited pro forma statement of assets and liability of the Group; (iv) report for the valuation of the Properties; and (v) other information as required under the GEM Listing Rules will be despatched to the Shareholders within 15 business days from the date of this announcement.

As the Provision Agreements and the Formal Agreements are subject to a number of conditions precedent, the Provisional Agreements and/or Formal Agreements may or may not become unconditional or be completed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisitions”	collectively, the Carpark Acquisition and the Warehouse Acquisition
“Agent”	the estate agent for the Acquisitions, being a party to both the Carpark Provisional Agreement and the Warehouse Provisional Agreement, a third party independent to the Company
“associate(s)”	has the meanings given to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	British Virgin Islands

“Carpark Acquisition”	the acquisition of the Carpark Property by the Purchaser pursuant to the Carpark Provisional Agreement and the Carpark Formal Agreement from the Carpark Vendor
“Carpark Completion”	completion of the Carpark Acquisition
“Carpark Consideration”	the consideration for the Carpark Acquisition, being HK\$2,500,000
“Carpark Formal Agreement”	the formal sale and purchase agreement to be entered into between the Purchaser and the Carpark Vendor on or before 24 June 2015 in relation to Carpark Acquisition
“Carpark Further Deposit”	being HK\$150,000
“Carpark Initial Deposit”	being HK\$100,000
“Carpark Property”	the car parking space No. L22 situated at Basement, Pacific Trade Centre, No. 2 Kai Hing Road, Kowloon
“Carpark Provisional Agreement”	the provisional sale and purchase agreement dated 11 June 2015 entered into among the Purchaser, the Carpark Vendor and the Agent in relation to the Carpark Acquisition
“Carpark Vendor”	UI Tech Company Limited, a company incorporated in Hong Kong with limited liability, being the vendor to the Carpark Provisional Agreement and the Carpark Formal Agreement
“Company”	i-Control Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM (stock code: 8355)
“Completion”	collectively, the Carpark Completion and the Warehouse Completion
“Completion Date”	21 August 2015
“connected person(s)”	has the meaning given to it in the GEM Listing Rules
“Considerations”	collectively the Carpark Consideration and the Warehouse Consideration
“Director(s)”	director(s) of the Company
“EGM”	any extraordinary general meeting of the Company to be held for the Shareholders to consider and, if thought fit, approve the Provisional Agreements and the Formal Agreements and the transactions contemplated thereunder

“Formal Agreements”	collectively, the Carpark Formal Agreement and the Warehouse Formal Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Newmark Group”	Newmark Group Limited, a company incorporated in the BVI with limited liability, the controlling Shareholder
“Properties”	collectively, the Carpark Property and the Warehouse Property
“Prospectus”	the prospectus of the Company in relation the placing of its Shares dated 14 May 2015
“Provisional Agreements”	collectively, the Carpark Provisional Agreement and the Warehouse Provisional Agreement
“Purchaser”	Deluxe Peace Limited, a company incorporated in the BVI with limited liability, an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	collectively, the Carpark Vendor and the Warehouse Vendor
“Warehouse Acquisition”	the acquisition of the Warehouse Property by the Purchaser pursuant to the Warehouse Provisional Agreement and the Warehouse Formal Agreement from the Warehouse Vendor
“Warehouse Completion”	completion of the Warehouse Acquisition
“Warehouse Consideration”	the consideration for the Warehouse Acquisition, being HK\$39,880,000

“Warehouse Formal Agreement”	the formal sale and purchase agreement to be entered into among the Purchaser and the Warehouse Vendor on or before 24 June 2015 in relation to Warehouse Acquisition
“Warehouse Further Deposit”	being HK\$2,788,000
“Warehouse Initial Deposit”	being HK\$1,200,000
“Warehouse Property”	the premises situated at Units Nos. 32, 33, 34, 35, 36, 37, 38, 39, 40, Flat Roof 39 & Flat Roof 40 on 5th Floor, Pacific Trade Centre, No. 2 Kai Hing Road, Kowloon
“Warehouse Provisional Agreement”	the provisional sale and purchase agreement dated 11 June 2015 entered into between the Purchaser, the Warehouse Vendor and the Agent in relation to the Warehouse Acquisition
“Warehouse Vendor”	SEPL Global (H.K.) Limited, a company incorporated in Hong Kong with limited liability, being the vendor to the Warehouse Provisional Agreement and the Warehouse Formal Agreement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
i-Control Holdings Limited
Tong Sai Wong
Chairman

Hong Kong, 11 June 2015

As at the date of this announcement, the executive Directors are Mr. Tong Sai Wong, Mr. Chan Wing Yiu and Mr. Chan Wing Lun; the non-executive Directors are Dr. Wong King Keung and Mr. Lin Wing Ching; and the independent non-executive Directors are Dr. Chan Man Hung, Dr. Lai Wing Chueng and Mr. Lum Pak Sum.

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 GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company’s website at www.i-control.com.hk.