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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)**

## **ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE, RULE 17.10 OF THE GEM LISTING RULES AND INSIDE INFORMATION PROVISIONS AND RESUMPTION OF TRADING**

This announcement is made by i-Control Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 3.7 of the Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 17.10(2)(a) of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on The Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 17 July 2017 in respect of trading halt in the shares (each a “**Share**”) of HK\$0.01 each in the issued share capital of the Company on GEM pending release of an announcement pursuant to the Takeovers Code and containing certain inside information of the Company.

### **MEMORANDUM OF UNDERSTANDING**

The board (the “**Board**”) of directors (each a “**Director**”) of the Company was informed by Dr. Wong King Keung (“**Dr. Wong**”), Mr. Tong Sai Wong (“**Mr. Tong**”), Mr. Chan Wing Lun (“**Mr. WL Chan**”), Mr. Chan Wing Yiu (“**Mr. WY Chan**”), all being the controlling shareholders (as defined under the GEM Listing Rules) of the Company, and Mr. Lin Wing Ching (“**Mr. Lin**”, together with Dr. Wong, Mr. Tong, Mr. WL Chan and Mr. WY Chan, the “**Selling Shareholders**”) that they had entered into a memorandum of understanding (the “**MOU**”) with an independent third party (the “**Potential Purchaser**”) on 14 July 2017 (after trading hours) regarding the Possible Transaction (as defined below). Each of Dr. Wong, Mr. Tong, Mr. WY Chan, Mr. WL Chan and Mr. Lin is a Director.

As at the date of this announcement, each of Newmark Group Limited (“**Newmark**”), Dr. Wong, Mr. Tong, Mr. WY Chan, Mr. WL Chan and Mr. Lin is directly interested in 510,000,000 Shares, 92,640,000 Shares, 47,520,000 Shares, 47,520,000 Shares, 47,520,000 Shares and 4,800,000 Shares (representing 51%, 9.264%, 4.752%, 4.752%, 4.752% and 0.48% of the issued share capital of the Company) respectively.

Newmark is currently owned as at 38.6% by Dr. Wong, 19.8% by Mr. Tong, 19.8% by Mr. WY Chan, 19.8% by Mr. WL Chan and 2% by Mr. Lin. As informed by the Selling Shareholders, it is expected that a distribution in specie will be effected by Newmark as soon as practicable and in any event before the entering into of the Definitive Agreement (as defined below), subject to full compliance with all applicable laws, rules and regulations, to distribute all the 510,000,000 Shares currently held by Newmark to its existing shareholders on a pro-rata basis (the “**Distribution**”).

Immediately after the Distribution, Newmark will cease to be interested in any Share, whereas Dr. Wong, Mr. Tong, Mr. WY Chan, Mr. WL Chan and Mr. Lin will be directly interested in 289,500,000 Shares, 148,500,000 Shares, 148,500,000 Shares, 148,500,000 Shares and 15,000,000 Shares (representing 28.95%, 14.85%, 14.85%, 14.85% and 1.5% of the issued share capital of the Company) respectively.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Potential Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

### **Possible Transaction**

As informed by the Selling Shareholders, pursuant to the MOU, the Selling Shareholders intend to sell to the Potential Purchaser and the Potential Purchaser intends to purchase a total of 600,000,000 Shares (the “**Sale Shares**”) directly held by the Selling Shareholders, representing 60% of the total issued share capital of the Company as at the date of this announcement (the “**Possible Transaction**”).

Pursuant to the MOU, it is proposed that the Sale Shares would comprise (a) 139,500,000 Shares held by Dr. Wong; (b) 148,500,000 Shares held by Mr. Tong; (c) 148,500,000 Shares held by Mr. WY Chan; (d) 148,500,000 Shares held by Mr. WL Chan; and (e) 15,000,000 Shares held by Mr. Lin, representing 13.95%, 14.85%, 14.85%, 14.85% and 1.5% of the issued share capital of the Company respectively. Immediately after the completion of the Possible Transaction (if materialised), the Potential Purchaser will be interested in 600,000,000 Shares (representing 60% of the issued share capital of the Company) and Dr. Wong will remain to be interested in 150,000,000 Shares (representing 15% of the issued share capital of the Company).

Each of the Selling Shareholders and the Potential Purchaser agrees to use his/its best endeavours to negotiate in good faith and enter into the final and legally binding sale and purchase agreement (the “**Definitive Agreement**”) and other relevant legal documentation for the Possible Transaction within the period of 60 days from the date of the MOU (or such other date as the parties to the MOU may otherwise agree in writing)(the “**Prescribed Period**”).

The purchase price and the payment method for the Sale Shares will be subject to further negotiations between the parties to the MOU and be set out in the Definitive Agreement to be entered into (if entered into at all) between the Selling Shareholders (as vendors) and the Potential Purchaser (as purchaser) with respect to the Possible Transaction.

As stated in the MOU, the Potential Purchaser shall carry out a due diligence review (including, among others, legal, financial and business due diligence review) (the “**Due Diligence Review**”) on the Group during the Prescribed Period.

An amount of HK\$5,000,000 will be paid to the Selling Shareholders within one (1) business day of the date of the MOU by the Potential Purchaser in proportion to their respective holdings of the Sale Shares, which shall constitute a deposit (the “**Deposit**”) and represent part payment of the consideration upon completion of the Possible Transaction. The Deposit shall be non-refundable in any event save and except:

- (a) due to the action or omission of the Company, the listing of the Shares on the Stock Exchange having been cancelled or withdrawn;
- (b) due to the action or omission of the Company, the trading of the Shares on the Stock Exchange having been suspended for a period of longer than 30 consecutive trading days, save for any temporary suspension required for announcements in connection with the Possible Transaction;
- (c) the results of the Due Diligence Review indicate a material liability or obligation on the part of the Group not previously and properly disclosed in the financial statements of the Group published on the website of the Stock Exchange;
- (d) the Definitive Agreement is not entered into as a result of the sole default of the Selling Shareholders to use their best endeavours to negotiate in good faith for the Possible Transaction; and
- (e) the Distribution is not effected prior to the signing of the Definitive Agreement.

In such circumstance(s), each Selling Shareholder shall return such portion of the Deposit (without interest) he has actually received to the Potential Purchaser within three (3) business days after notice by the Potential Purchaser given in writing. Thereafter, neither party shall have any obligations and liabilities under the MOU, and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms of the MOU.

As informed by the Selling Shareholders, pursuant to the MOU, the Selling Shareholders agree that they shall not, directly or indirectly, contact, negotiate or discuss or otherwise deal with any third parties for the purpose of or in connection with the transactions contemplated by the MOU or enter into any binding commitment with any other third party in respect of the transactions contemplated by the MOU during the Prescribed Period.

It is a non-legally binding intention of the parties to the MOU that the Selling Shareholders shall cause up to four of the Potential Purchaser’s nominees to be validly appointed as Directors of the Company, and cause the existing Directors (other than Dr. Wong, Mr. Tong, Mr. WY Chan and Mr. WL Chan) to resign (whether in their capacity as director or employees or otherwise), in both cases with effect from the earliest permitted time under the Takeovers Code.

As stated in the MOU, the Selling Shareholders and the Potential Purchaser are not and shall not be legally bound to proceed with the Possible Transaction unless and until the Definitive Agreement and all relevant legal documentations have been entered into.

**If the Possible Transaction materialises, it will lead to a change in control of the Company and the Potential Purchaser will be required to make a mandatory general offer for all issued Shares other than those already owned or agreed to be acquired by the Potential Purchaser and parties acting in concert with it under Rule 26.1 of the Takeovers Code. As at the date of this announcement, no formal agreements have been entered into in respect of the Possible Transaction, and the discussion is still in progress and the Possible Transaction may or may not proceed.**

## **SECURITIES IN THE COMPANY**

As at the date of this announcement, the Company has 1,000,000,000 Shares in issue. Save for that, the Company has no other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

## **MONTHLY UPDATE**

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Transaction will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the GEM Listing Rules and/or the Takeovers Code.

## **DEALING DISCLOSURE**

For the purpose of the Takeovers Code, the offer period has commenced on the date of this announcement, being 18 July 2017. Associates of the Company (as defined under the Takeovers Code, including but not limited to a person who owns or controls 5% or more of any class of relevant securities of the Company or any person who as a result of any transaction owns or controls 5% or more of any class of relevant securities of the Company) are reminded to disclose their dealings in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

## **RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES**

Reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code in accordance with Rule 3.8 of the Takeovers Code:

*“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*”

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

**WARNING: There is no assurance that the Possible Transaction will materialise or eventually be consummated. Shareholders and potential investors of the Company should be aware that the terms of the Possible Transaction are subject to further negotiations between the Selling Shareholders and the Potential Purchaser, and the relevant discussions may or may not lead to a general offer under Rule 26.1 of the Takeovers Code. The Possible Transaction and the possible general offer arising from the Possible Transaction, therefore, may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the shares of the Company had been halted on the Stock Exchange with effect from 9:00 a.m. on Monday, 17 July 2017 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in its Shares with effect from 9:00 a.m. on Wednesday, 19 July 2017.

By order of the board of directors of  
**i-Control Holdings Limited**  
**Tong Sai Wong**  
*Chairman*

Hong Kong, 18 July 2017

*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 Rules Governing the Listing of Securities on GEM 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 website of GEM at [www.hkgem.com](http://www.hkgem.com) for a minimum period of 7 days from the date of publication and on the website of the Company at [www.i-controlholdings.com](http://www.i-controlholdings.com).*

*The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*