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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: 1402)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO USE OF PROCEEDS DISCLOSED IN THE ANNUAL REPORT

Reference is made to (i) the annual report of i-Control Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 March 2019; (ii) the Company’s interim report for the six months ended 30 September 2019; and (iii) the Company’s annual report for the year ended 31 March 2020 (the “**2020 Annual Report**”). Unless the context requires otherwise, capitalised terms used in this supplemental announcement shall have the meanings as they are used in the 2020 Annual Report.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide the following additional information in relation to the use of the net proceeds raised from the Placing (the “**Net Proceeds**”) as set out below.

BREAKDOWN AND PURPOSE OF USE

Set out below is a breakdown of the planned use of the Net Proceeds and the unused amount thereof up to 31 March 2020:

	Planned use of Net Proceeds as stated in the prospectus dated 14 May 2015	Change in use of Net Proceeds resolved on 30 March 2017	Unused Net Proceeds as at		
			31 March 2019	30 September 2019	31 March 2020
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>		
To recruit experienced sales staff to expand the VCMA solution business in Hong Kong	11.5	4.4	–	–	–
To acquire a new warehouse in Hong Kong	32.7	5.0	–	–	–
To set up new regional offices with showrooms in Beijing, Shanghai and Singapore	13.7	(11.4)	–	–	–

	Planned use of Net Proceeds as stated in the prospectus dated 14 May 2015 <i>HK\$ million</i>	Change in use of Net Proceeds resolved on 30 March 2017 <i>HK\$ million</i>	Unused Net Proceeds as at		
			31 March 2019	30 September 2019	31 March 2020
To carry out marketing and promotion activities on both traditional and new media platforms to improve public awareness of the Group and further strengthen its position in Hong Kong, the PRC and Singapore	2.4	–	–	–	–
To upgrade the computer system and other office facilities	–	2.0	1.7	1.7	1.2
For working capital and other general corporate purposes	6.0	–	–	–	–
	<u>66.3</u>	<u>–</u>	<u>1.7</u>	<u>1.7</u>	<u>1.2</u>

REMAINING NET PROCEEDS

As disclosed in the 2020 Annual Report and set out above, the whole of the Net Proceeds has been utilized before 30 March 2019 save for the amount which the Company resolved on 30 March 2017 to allocate to upgrading of the computer system and other office facilities.

Out of the amount so allocated a sum of HK\$1.7 million remained unutilized as at 30 September 2019. As disclosed in the listing document of the Company dated 13 December 2019 in relation to the transfer of listing from GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) to the Main Board of the Stock Exchange, the Company expected to utilize such amount by 31 March 2020. However, given the outbreak of COVID-19, the Company delayed the incurring of expenses for the upgrade to preserve the cash position of the Group and HK\$1.2 million remained unutilized as at 31 March 2020. It is expected that this remaining amount will be utilized by the year ending 31 March 2021 depending on the development of COVID-19 and its impact on the economic conditions in Hong Kong and the PRC.

The information contained in this supplemental announcement does not affect other information contained in the 2020 Annual Report and save as disclosed above, all other information in the 2020 Annual Report remains unchanged.

Save as disclosed above, there is no material delay or change in the use of proceeds from the Placing. Further announcement(s) will be made by the Company in relation to the use of the remaining Net Proceeds as and when appropriate.

By order of the Board
i-Control Holdings Limited
Tong Sai Wong
Director

Hong Kong, 14 August 2020

As at the date of this announcement, the executive Directors are Mr. Zhong Naixiong, Mr. Yau Wing Keung, Mr. Tong Sai Wong, Mr. Chan Wing Yiu and Mr. Chan Wing Lun; the non-executive Director is Dr. Wong King Keung and the independent non-executive Directors are Mr. Fong Chi, Mr. Fung Chan Man Alex, Mr. Lum Pak Sum and Mr. Mong Cheuk Wai.