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Icicle Group Holdings Limited

冰雪集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8429)

CHANGE IN USE OF PROCEEDS

Reference is made to the prospectus of **Icicle Group Holdings Limited** (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 27 November 2017 (the “**Prospectus**”) in relation to the listing of the shares of the Company on GEM of The Stock Exchange of Hong Kong Limited by way of share offer (the “**Share Offer**”); and (ii) the annual report of the Company for the year ended 31 December 2019 (the “**2019 Annual Report**”) in which the utilisation of net proceeds from the Share Offer up to 31 December 2019 was disclosed. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to announce that the Board has resolved to change the net proceeds from the Share Offer of approximately HK\$8,280,000 for business development (the “**BD Net Proceeds**”) and approximately HK\$3,120,000 for staff development (the “**SD Net Proceeds**”) as to (i) approximately HK\$6,280,000 for BD Net Proceeds; (ii) approximately HK\$1,320,000 for SD Net Proceeds; and (iii) approximately HK\$3,800,000 for general working capital of the Group.

USE OF PROCEEDS FROM THE SHARE OFFER

The actual net proceeds from the Share Offer (the “**Net Proceeds**”), after deduction of the professional fees, underwriting commissions and other fees payable by the Company in connection with the listing, were approximately HK\$43.8 million. As disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus, the Company intended to use the Net Proceeds for the following purposes: (i) enlarge our social media marketing production capability and offering; (ii) enhance our overall service offerings and expand the team across three categories; (iii) set up a studio and expand our work premises; (iv) business development; (v) staff development; and (iv) general working capital.

As disclosed in the Prospectus, the Company intended to use the BD Net Proceeds to build up the business development and sales and marketing team and the SD Net Proceeds to develop staff capability. As at the date of this announcement, the BD Net Proceeds of approximately HK\$4,070,000

and the SD Net Proceeds of approximately HK\$2,497,000 remain unutilised. Since the Net Proceeds of approximately HK\$3,800,000 for the general working capital of the Group have already been fully utilised and for the reasons set out in the paragraph headed “Reasons for and Benefits of the Change in Use of Proceeds” of this announcement, the Board has resolved to allocate approximately HK\$3,800,000 from the BD Net Proceeds and the SD Net Proceeds, being an aggregate of approximately HK\$7,600,000, for the general working capital of the Group so as to provide more buffer to cope with the economic uncertainty in the future. The use of Net Proceeds in the revised manner is set out as below:

	Original allocation of approximate amount of Net Proceeds <i>HK\$'000</i>	Approximate actual amount of utilised Net Proceeds up to the date of this announcement <i>HK\$'000</i>	Approximate amount of unutilised Net Proceeds as at the date of this announcement <i>HK\$'000</i>	Revised allocation of the Net Proceeds <i>HK\$'000</i>
Enlarge our social media marketing production capability and offering	8,000	2,057	5,943	5,943
Enhance our overall service offerings and expand the team across three categories	9,142	1,581	7,561	7,561
Set up a studio and expand our work premises	11,458	9,648	1,810	1,810
Business development	8,280	4,210	4,070	2,070
Staff development	3,120	623	2,497	697
General working capital	<u>3,800</u>	<u>3,800</u>	<u>—</u>	<u>3,800</u>
	<u><u>43,800</u></u>	<u><u>21,919</u></u>	<u><u>21,881</u></u>	<u><u>21,881</u></u>

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

In view of (I) the uncertain economic outlook in Hong Kong due to (a) the social instability in Hong Kong since June 2019 and (b) the outbreak of the novel coronavirus (COVID-19) epidemic since January 2020; and (II) the rapid changing market needs in the space of digital marketing and branding, the Group has weighed up the costs and the benefits and considered to adopt of a more effective

approach by looking at acquisition and investment into existing teams rather than building our own teams from scratch in expanding our capability and offering in (i) social media marketing production; (ii) existing service categories; (iii) business development; and (iv) staff development (collectively, the “**Objectives**”), which might be too risky for an industry that is changing so fast. The re-allocation of the Net Proceeds, which were originally allocated for achieving the Objectives, to supplement the general working capital for the ordinary operation of the Company is more beneficial to meet the operation needs of the Company and increase its financial effects and provide more buffer to cope with the economic uncertainty in the future.

In view of the above, the Board considers that the development direction of the Company is still in line with the disclosure in the Prospectus in spite of such change in use of proceeds as stated above. The aforesaid change in use of Net Proceeds is in the best interest of the Company and its Shareholders as a whole and it will not have any material adverse effect on the existing business and operations of the Group.

By order of the Board
Icicle Group Holdings Limited
Woo Chan Tak Chi Bonnie
Chairperson and Chief Executive Officer

Hong Kong, 6 May 2020

As at the date of this announcement, the Board comprises Ms. Woo Chan Tak Chi Bonnie as executive Director, Mr. Chow Sai Yiu Evan as non-executive Director and Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald as independent non-executive Directors.

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 of The Stock Exchange of Hong Kong Limited 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 on the GEM website at <https://www.hkgem.com> for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at <https://www.iciclegroup.com>.