
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Icicle Group Holdings Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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ICICLE

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)

MAJOR TRANSACTION IN RELATION TO ACQUISITION OF A PROPERTY

All capitalised terms used in this circular have the meaning set out in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 4 to 10 of this circular.

The transaction being the subject matter of this circular has been approved by written shareholder’s approval pursuant to the GEM Listing Rules and this circular is being despatched to the Shareholders for information only.

This circular will remain on GEM website at www.hkgem.com on the “Latest Listed Company Information” page for at least 7 days from the date of its publication and on the Company’s website at www.iciclegroup.com

4 July 2022

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I — Financial information of the Group	I-1
Appendix II — Property valuation report	II-1
Appendix III — General information	III-1

DEFINITIONS

Unless the context otherwise requires, terms or expressions used in this circular shall have the meanings ascribed to them below:

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the Transfer Deed
“Announcement”	the announcement of the Company dated 10 June 2022 in relation to the Acquisition
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Company”	Icicle Group Holdings Limited 冰雪集團控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (stock code: 8429)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Transfer Deed
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Consideration”	US\$4,502,240 (equivalent to approximately HK\$36,017,920), being the purchase price of the Property payable to the Vendor by the Purchaser for the Acquisition
“Director(s)”	the director(s) of the Company
“Escrow Holder”	Pacific Coastline Escrow Trust Account
“Explorer Vantage”	Explorer Vantage Limited, a company incorporated in the British Virgin Islands with limited liability and is beneficially and wholly-owned by Ms. Bonnie Chan Woo, the Chairperson of the Board, an executive Director and the chief executive officer of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Latest Practicable Date”	29 June 2022, being the latest practicable date prior to the despatch of this circular for the purpose of ascertaining certain information contained in this circular
“Mirousky”	Mirousky Limited, a company incorporated in Hong Kong with limited liability and is indirectly beneficially owned by Ms. Bonnie Chan Woo and her spouse, Mr. Darrin Woo, as to 50% each
“Ms. Bonnie Chan Woo”	Ms. Woo Chan Tak Chi Bonnie, the Chairperson of the Board, an executive Director and the chief executive officer of the Company
“Property”	the multi-purpose property bearing the address at 8306 Skyline Drive, Los Angeles, CA 90046, the United States
“Purchaser”	8306 Skyline LLC, a company with limited liability incorporated in the State of Delaware, the United States and an indirect wholly-owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the GEM Listing Rules
“Transfer Deed”	the transfer deed dated 10 June 2022 entered into between the Purchaser and the Vendor in relation to the Acquisition
“United States” or “US”	the United States of America
“Vendor”	Mr. Jong Lee, an individual residing in the United States

DEFINITIONS

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

In this circular, unless otherwise stated, figures in US\$ are translated to HK\$ at the exchange rate of US\$1.00 = HK\$8.00 for illustration purposes only. No representation is made that any amount in US\$ could be converted at such rate or any other rates.

LETTER FROM THE BOARD



ICICLE

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)

Executive Director:

Ms. Woo Chan Tak Chi Bonnie

(Chairperson and Chief Executive Officer)

Non-executive Director:

Mr. Chow Sai Yiu Evan

Independent non-executive Directors:

Mr. Ip Arnold Tin Chee

Mr. Hung Alan Hing Lun

Mr. Man Ka Ho Donald

Registered office:

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

*Headquarters and principal place of
business in Hong Kong:*

Flat B, 9/F

Safety Godown Industrial Building

56 Ka Yip Street

Chai Wan

Hong Kong

4 July 2022

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO
ACQUISITION OF A PROPERTY**

INTRODUCTION

Reference is made to the Announcement in relation to the Acquisition. On 10 June 2022 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor, entered into the Transfer Deed for the acquisition of the Property at the Consideration of US\$4,502,240 (equivalent to approximately HK\$36,017,920) payable in cash.

LETTER FROM THE BOARD

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) further information on the Acquisition; (ii) the valuation report of the Property; and (iii) other information as required under the GEM Listing Rules.

THE TRANSFER DEED

The principal terms of the Transfer Deed are summarised below:

Date: 10 June 2022

Parties: (1) the Purchaser, being 8306 Skyline LLC, an indirect wholly-owned subsidiary of the Company; and
(2) the Vendor.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Vendor is an Independent Third Party.

The Property to be acquired

Pursuant to the Transfer Deed, the Property to be acquired by the Purchaser from the Vendor is a multi-purpose property bearing the address at 8306 Skyline Drive, Los Angeles, CA 90046, the United States with a gross building area of 4,863 square feet. The Property is to be sold to the Purchaser on an "as is" basis but free from any encumbrances and is currently own-used by the Vendor. The Property is currently subject to mortgage under the name of the Vendor, which will be fully released on or before Completion.

Consideration and payment

The Consideration is US\$4,502,240 (equivalent to approximately HK\$36,017,920), which shall be paid by the Purchaser to the Vendor by way of cash in the following manner:

1. an initial deposit of US\$137,400 (equivalent to approximately HK\$1,099,200) was paid by the Purchaser to the Escrow Holder upon the execution of the California Residential Purchase Agreement and Joint Escrow Instructions on 2 May 2022; and
2. US\$4,364,840 (equivalent to approximately HK\$34,918,720), being the balance of the Consideration shall be paid by the Purchaser to the Escrow Holder upon Completion.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the total amount of the Consideration has been fully paid by the Purchaser to the Vendor pursuant to the Transfer Deed.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor by reference to, among others, the valuation of the Property of US\$4,580,000 (equivalent to approximately HK\$36,640,000) as at 6 May 2022 carried out by Cushman & Wakefield Limited, an independent valuer, the prevailing market conditions, as well as the location of the Property and the market price of comparable properties in the same area. The valuer valued the Property by market comparison method in which a comparison is made with sales of similar properties in the subject or comparable localities, making adjustments for differences in location, size, tenure, use, age/condition, facilities provided and date of sale. For further details, please refer to the valuation report in Appendix II to this circular.

The Consideration is fully funded by the Group's internal resources.

All ad valorem stamp duty on the Acquisition and the goods and services tax on the Consideration shall be borne by the Purchaser.

Condition precedent

Completion is subject to the condition that the Purchaser being satisfied with the title and physical condition of the Property.

Completion

As at the Latest Practicable Date, the condition precedent has been fulfilled and Completion took place on 10 June 2022.

REASONS AND BENEFITS FOR THE ACQUISITION

As announced by the Company on 19 May 2022, in order to develop the Group's business and to cope with the challenging market conditions, the Group is to extend its marketing production business to encompass activities with digital capabilities that its clients will increasingly require. As such, during the slowdown in the marketing production business through the COVID-19 pandemic, the Group has secured an opportunity to partner with a US-based media company ("**US IP Owner**") that is active in the youth market segment. The partnership was officially launched in mid-2021 with its operation set up in Mainland China, launching a brand-integrated content production entertainment business in Mainland China, targeting to bridge the Chinese and US brands. This business has shown promising potential and the Group is seeing satisfactory developments in commercialisation based on the viewership and engagements to the content it produced. The business has since been expanding rapidly, earning over 500,000 combined social following with a strong pipeline of business opportunities, and projecting to contribute a substantial contribution to the Group's overall revenue by the end of the financial year 2022. As this business

LETTER FROM THE BOARD

develops, the Group is also seeking to establish and increase its local presence in the United States, to cultivate industry relationships and capture growth opportunities in content production and beyond.

Among others expansion plans:

- (i) the Group has identified an opportunity for high quality youth culture Chinese brands to promote and expand in the North American market, especially in the United States. With the Group's exclusive partnership with the US IP Owner, the Group (a) facilitated the Chinese brand's presence and promotion plan with digital media placement at the largest youth culture festival in the United States; (b) produced a series of social content featuring the Chinese brand's presence and other youth brands activation at the event in collaboration with China's leading social media platform, which drew immense traffic and established the Group's initial 'fanbase' on the platform; (c) to commercialise on the fanbase which is now one of the top in the category with more valuable brand integrated content deals; (d) intends to introduce three prominent Chinese brands to the 2022 edition of the festival to amplify their brand stories and distribute to the wider US market as well as building an international positioning which is appealing in the domestic Mainland Chinese market; (e) beyond 2022, intends to expand this program, as more Chinese youth culture brands are expected to have developed global distribution and would have increasing needs for professional services regarding US market entry, brand, marketing and content production;
- (ii) the Group plans to host the first annual youth culture festival in Mainland China in collaboration with the US IP Owner in 2023. The festival will feature over 100 activations by brands and 25% of which will be international brands showcasing unique collaboration for the Chinese consumers. The Group will be actively soliciting participation in the US market and will set up ancillary services for these brands and artists, including intellectual properties licensing for collaboration, design and production and most importantly, content production for amplifying the brand stories at the event for conversion. The Group plans to put together a task force comprising of US-based consultants, its collaboration partner's executives in experiential and collaboration together with a dedicated team from the Group's Mainland China office. The program is expected to generate promising sponsorship value plus ticketing sales and merchandise sales of in the first year; and
- (iii) riding its successful collaboration experience with the US IP Owner, the Group is currently actively looking at other similar opportunities of partnerships in adjacent businesses with synergistic value that can further strengthen the Group's unique offering of content production for brand integration and commercialisation that bridge the cultures and markets of the two largest consumer markets in the world, China and United States. The Group is in initial talks with companies and experts in the industry to assess the opportunities, covering pop culture categories such as sports, fashion, music, gaming and Web 3. The Group targets to add another collaboration with another US-based media

LETTER FROM THE BOARD

content company to its portfolio within the next 24 months with a potential business scale similar to the current partnership, further solidifying the Group's position as a platform for global intellectual properties tapping into the Chinese markets.

As the Group intends to expand and develop its brand-integrated content production media business, many of the Group's content licensors, content producers and potential customers are based in Los Angeles, the United States. The Group intends to use the Property as staff accommodation for employees of the Group travelling to Los Angeles for business, home office, client and business associates entertainment or other casual gathering place after Completion. The Directors consider that such use of the Property that is not for profit generating purposes, but merely to provide a venue akin to a "work-from-home arrangement" for employees who are on business trips to stay and work, and to host drink parties and other casual gatherings with business, client and business associates, is in line with its planned residential use as stated in the valuation report.

The Directors consider the Acquisition to be beneficial to the Group as it can provide a working space and accommodation of employees for the Group who travel to Los Angeles for business meetings. The Property can also be used as social and other business show case venue to meet potential business partners and customers to cater for the Group's future growth and development.

Taking into account the above factors, the Directors (including the independent non-executive Directors), consider that the terms of the Acquisition (including the Consideration) are on normal commercial terms and fair and reasonable, and the Acquisition is in the interests of the Shareholders and the Group as a whole.

INFORMATION ON THE COMPANY, THE GROUP AND THE PURCHASER

The Company is an investment holding Company. The Group is principally engaged in the provision of the marketing production services, e-commerce and retail business, operation of a café and content media business.

The Purchaser, a company with limited liability incorporated in the State of Delaware, the United States, is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the business of property holding.

INFORMATION OF THE VENDOR

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, the Vendor is an individual residing in United States and is the legal and beneficial owner of the Property.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, the Vendor is an Independent Third Party.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE ACQUISITION ON THE GROUP

It is expected that upon Completion, there will be no change in total assets as the Acquisition will result in an increase in property, plant and equipment of approximately HK\$36.0 million (representing the sum of the Consideration and the stamp duty and legal and professional costs incurred for the Acquisition) which will be netted-off by a decrease in bank balances and cash of approximately HK\$36.0 million. The Group expects the Acquisition will increase the annual depreciation charges by approximately HK\$1.2 million.

IMPLICATION UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder or any of its associates has any material interest in the Acquisition. As such, no Shareholder would be required to abstain from voting if an extraordinary general meeting were convened to approve the Acquisition.

Pursuant to Rule 19.44 of the GEM Listing Rules, a written shareholder's approval may be accepted in lieu of holding a general meeting. As at 10 June 2022 and the Latest Practicable Date, a closely allied group of shareholders who together hold approximately 65.01% of the issued share capital of the Company, namely, (i) Explorer Vantage, which is wholly owned by Ms. Bonnie Chan Woo, the chairperson of the Board, an executive Director and the chief executive officer of the Company, is beneficially interested in 277,200,000 Shares, representing approximately 57.75% of the issued share capital of the Company; and (ii) Mirousky, which is indirectly beneficially owned by Ms. Bonnie Chan Woo and her spouse, Mr. Darrin Woo as to 50% each, is beneficially interested in 34,850,000 Shares, representing approximately 7.26% of the issued share capital of the Company, have given written approvals to the Acquisition. Accordingly, the Company is not required to convene an extraordinary general meeting for approving the Acquisition.

RECOMMENDATION

Although no general meeting will be convened for approving the Acquisition, the Directors (including the independent non-executive Directors) consider that the terms of the Acquisition are on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, if a general meeting were convened for approving the Acquisition, the Directors (including the independent non-executive Directors) would have recommended the Shareholders to vote in favour of the Acquisition.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION

Details of the published financial information of the Group for each of the years ended 31 December 2019, 2020 and 2021 are disclosed in the annual reports of the Company for the years ended 31 December 2019, 2020 and 2021 respectively and the financial information of the Group for the three months ended 31 March 2022 are disclosed in the quarterly report of the Company for the three months ended 31 March 2022, which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.iciclegroup.com):

- annual report of the Company for the year ended 31 December 2019 published on 30 March 2020 (pages 62 to 131);

<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0330/2020033000644.pdf>

- annual report of the Company for the year ended 31 December 2020 published on 29 March 2021 (pages 62 to 131);

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0329/2021032900564.pdf>

- annual report of the Company for the year ended 31 December 2021 published on 30 March 2022 (pages 64 to 135); and

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0330/2022033001992.pdf>

- quarterly report of the Company for the three months ended 31 March 2022 published on 13 May 2022 (pages 4 to 20).

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0513/2022051300356.pdf>

2. INDEBTEDNESS STATEMENT

Lease liabilities

At the close of business on 31 May 2022, being the latest practicable date for the purpose of compiling this indebtedness statement prior to the printing of this circular, the Group entered into several lease agreements for leasing of office premises and equipment located in Hong Kong and recognised right-of-use assets and lease liabilities for these leases. Such lease liabilities amounted to approximately HK\$5,000,000 as at 31 May 2022, which were classified as to HK\$2,825,000 as current liabilities and HK\$2,175,000 as non-current liabilities. The interest rates of the lease liabilities ranged from 4.75% to 4.88% per annum.

Amount due to the controlling shareholder

At the close of business on 31 May 2022, being the latest practicable date for the purpose of compiling this indebtedness statement prior to the printing of this circular, the amount due to the controlling shareholder, who is Ms. Bonnie Chan Woo, amounted to approximately HK\$739,000, is non-trade in nature, unsecured, interest-free and repayable on demand.

Contingent liabilities

As at the close of business on 31 May, 2022, being the latest practicable date for the preparation of the indebtedness statement in this circular, the Group did not have any contingent liabilities.

Save as disclosed above, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, and term loans (secured, unsecured, guaranteed or not), any other borrowings, bank overdrafts or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities as at 31 May 2022. The Directors confirmed that the Company did not have any external financing plans as at 31 May 2022.

Save as disclosed above, the Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Group since 31 May 2022.

3. WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that, in absence of unforeseeable circumstances, upon the completion of the Acquisition and after taking into account the Group's internal financial resources and cash flows to be generated from the operating activities, the Group has sufficient working capital for its present requirements and for the period up to 12 months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS

The Group is principally engaged in the provision of the marketing production services, e-commerce and retail business, operation of a café and content media business. The Group recorded revenue of approximately HK\$56.3 million and HK\$51.4 million for the two years ended 31 December 2020 and 2021 respectively.

Since the listing of the Company, the management has made continuous effort to consolidate and strengthen the reputation of the Group and endeavoured to keep its presence in the market for its marketing production services business. Since 2020, the global economy has been suffering from the outbreak of coronavirus, which has been imposing pressure on our key clients in marketing spend. Also, the ways to achieve marketing promotion purpose have been changed to focusing on brand collaboration and integration. These caused prolonged impact on our traditional marketing production business.

To diversify the business portfolio of the Group and to bring new revenue sources for the Group, the Group has expanded its business to cover content production media business.

Looking forward, the Group will continue to focus on strengthening its marketing production services business while developing its expanded businesses. Leveraging the competitive advantages in terms of capability and clientele, the Board expects that the Group is well-positioned for the challenges and competition ahead, and aims to deliver satisfactory return to Shareholders.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up.

The following is the text of a letter and valuation report prepared for the purpose of incorporation in the Circular, received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of market value of the property in the US as at 6 May 2022.



27/F, One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

4 July 2022

The Directors
Icicle Group Holdings Limited
Unit B, 9th Floor
Safety Godown Industrial Building
56 Ka Yip Street
Chai Wan
Hong Kong

Dear Sirs,

Re: 8306 Skyline Drive, Los Angeles, CA90046, the United States of America (the “Property”)

Instructions, Purpose & Valuation Date

We refer to the instructions of Icicle Group Holdings Limited (the “Company”) for Cushman & Wakefield Limited (“C&W”) to prepare market valuation of the property in the United States of America (the “US”) for the Company’s regulatory circular reference in relation to the potential acquisition of the property. We confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Company with our opinion of the market value of the property as at 6 May 2022 (the “valuation date”).

Definition of Market Value

Our valuation of the property represents its market value which in accordance with The International Valuation Standards (the “IVS”) effective from 31 January 2022 is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

**Valuation Basis &
Assumptions**

Our valuation of the property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In the course of our valuation of the property, we have relied on the information and advice given by the Company regarding the title to the property and the interests of the Company in the property. Unless otherwise stated, we have assumed that the Company has an enforceable title to the property and has free and uninterrupted rights to use, occupy or assign the property for the whole of the respective unexpired land use term as granted and that any premium payable has already been fully paid.

We have assumed that all consents, approvals and licences from relevant government authorities for the development have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the property are in compliance with the local planning regulations and have been approved by the relevant authorities.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

Method of Valuation

In valuing the property held for owner-occupation in the US, we have used Market Comparison Method by reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, size, view, conditions and other relevant factors. Based on our analysis and knowledge of the subject property type, it is our opinion that this approach would be considered necessary and applicable for market participants.

We confirm that the valuation is undertaken in accordance with the IVS. We have also complied with the requirements set out in Chapter 8 of the Rules Governing the Listing of Securities on GEM.

Our valuation of the property is on an entirety interest basis.

Source of Information We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenures, identification of land and buildings, particulars of occupancy, site and floor plans, site and floor areas, and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on the copies of documents or other information provided to us by the Company and are therefore only approximations. No on-site measurement has been carried out. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information provided.

Title Investigation We have been provided with a copy of counter offer to the Purchase Agreement relating to the property in the US. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the property in the US and we have therefore relied on the advice given by the Company regarding the title in the US property.

Site Inspection Dan Gabay (Senior Director, MAI with over 30 years' of real estate appraisal experience in the US), of our Irvine Office in the US, whom provide technical support to the property valuation, inspected the exterior and, wherever possible, the interior of property on 6 May 2022. However, No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the property is free of rot, infestation or any other structural defects. No tests were carried out to any of the services.

Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and floor areas of the property and we have assumed that the site and floor areas shown on the copies of documents handed to us are correct.

Key assumptions

Our key assumptions of the valuation of property are:

Use	Market Unit Rate <i>(USD per sq ft)</i>
Single family home	942

In undertaking our valuation, we have made reference to sales evidence within the same and neighbouring districts in the range of US\$745 per sq ft to US\$1,291 per sq ft. Due adjustments to the unit rates of these sales evidence have been considered to reflect factors including but not limited to time, location, view and size in arriving at the assumed market unit rate. The above market unit rate assumed by us is consistent with the relevant sale comparables after due adjustments.

Market Volatility

The recent outbreak of the Novel Coronavirus (COVID-19) has brought high volatility to global financial markets and uncertainty to the property market. It is expected that property values will be very sensitive to development of the pandemic and changes in the financial markets. The extents of impact on different sectors of the market are different and the time for marketing and negotiating sale of a property will be longer than normal. There will be less certainty as to how long a valuation may sustain and property prices may fluctuate rapidly and materially over a short period of time. Our valuation of the Property is valid only at the Valuation Date and any subsequent changes in market conditions as well as the resulting impacts on property values after the Valuation Date cannot be taken into account. If any party intends to make reference to our valuation when entering into any transaction, he must bear in mind the high market volatility during this period of time and that property values may or may not have changed since the Valuation Date.

Other Disclosure

We hereby confirm that Cushman & Wakefield Limited and the valuers conducting the valuation have no pecuniary or other interests that could conflict with the proper valuation of the property or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion. We confirm that we are an independent qualified valuer, as referred to Rule 8.31 of the Rules Governing the Listing of Securities on GEM.

Intended Use and User of Report

This valuation report is issued for the use of the Company’s regulatory circular reference in relation to a potential acquisition of the property only.

We enclose herewith our valuation report for your attention.

Yours faithfully,

For and on behalf of

Cushman & Wakefield Limited

Philip C Y Tsang

Registered Professional Surveyor (General Practice)

Registered China Real Estate Appraiser

MSc, MHKIS

Director

Note: Mr. Philip C Y Tsang is Registered Professional Surveyor who has 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries including the US. Mr. Philip C Y Tsang has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuation competently with the technical support from Dan Gabay of Cushman & Wakefield Western, Inc., who is a member of Appraisal Institute (MAI) with over 30 years of experience with valuations in the US.

VALUATION REPORT

Property held for owner-occupation in the US

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 6 May 2022
8306 Skyline Drive, Los Angeles, CA90046, the United States of America	<p>The property is a 3-story single family home with a gross building area of 4,863 sq ft (451.78 sq m) and is situated on a 0.28 acre (1,133.16 sq m) site completed in 1975.</p> <p>(1 sq m = 10.764 sq ft and 1 acre = 4,047 sq m).</p> <p>The property has been renovated in recent years yet the year of the renovation is not known.</p> <p>The property is located among a hilly area of Los Angeles and a great many properties nearby have city views. The views from the property are offered primarily from the rear yard and from the upper levels of the home.</p> <p>According to the Company, the property is planned for residential use. There is no environmental issues and litigation dispute; there is no plan to change the use of the property.</p> <p>The property is held under fee simple interest.</p>	As at the valuation date, the property was vacant.	USD4,580,000 (UNITED STATES DOLLARS FOUR MILLION FIVE HUNDRED EIGHTY THOUSAND)

Notes:

- (1) The owner of the property is Jong Lee.
- (2) According to the California Residential Purchase Agreement and Joint Escrow Instructions dated 2 May 2022, the property is currently in escrow at a contract price of USD4,580,000. The seller is Jong Lee and the buyer is Icicle Group Holdings Limited and/or its assignee.
- (3) It is our opinion that the highest and best use of the property as if vacant is a single family home.

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive of the Company and associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the Shares and underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange, were as follows:

(i) *Interests in the Shares and underlying Shares*

Name of Director	Nature of interest	Number of Shares held <i>(Note 1)</i>	Shareholding percentage
Ms. Bonnie Chan Woo	Interested in a controlled corporation	277,200,000 (L) <i>(Note 2)</i>	57.75%
	Interests held jointly with another person	34,850,000 (L) <i>(Note 3)</i>	7.26%

Notes:

- The letter "L" denotes the person's long position in the Shares.
- Explorer Vantage holds 277,200,000 Shares. Explorer Vantage was incorporated in the British Virgin Islands and is beneficially and wholly-owned by Ms. Bonnie Chan Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the Shares held by Explorer Vantage.

3. Mirousky holds 34,850,000 Shares. Mirousky was incorporated in Hong Kong and is wholly-owned by Gain Smart Asia Limited (“Gain Smart”). Gain Smart is in turn beneficially owned as to 50% by Ms. Bonnie Chan Woo and 50% by her spouse, Mr. Darrin Woo. By virtue of the SFO, Ms. Bonnie Chan Woo is deemed to be interested in the Shares held by Mirousky.

(ii) *Interests in associated corporation(s) of the Company*

Name of Director	Name of associated corporation	Capacity	Number of Shares held (Note 1)	Shareholding percentage
Ms. Bonnie Chan Woo	Explorer Vantage (Note 2)	Beneficial owner	1 (L)	100%
	Papercom Limited (“Papercom”) (Note 3)	Interest in a controlled corporation	10,000 (L)	100%

Notes:

- The Letter “L” denotes the person’s long position in the shares.
- Explorer Vantage is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
- Papercom is beneficially and wholly-owned by Explorer Vantage. Pursuant to the SFO, Ms. Bonnie Chan Woo is deemed to be interested in all the shares in Papercom held by Explorer Vantage.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company has any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he will be taken or deemed to have under the SFO), or was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which was required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) Substantial Shareholder's and other person's interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, so far is known to the Directors and the chief executives of the Company, each of the following persons/entities (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Company, which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Interests in Shares

Name	Nature of interest	Number of ordinary Shares held (Note 1)	Percentage of shareholding in the Company
Explorer Vantage	Beneficial owner	277,200,000 (L) (Note 2)	57.75%
Mr. Darrin Woo	Interest of spouse	277,200,000 (L) (Note 3)	57.75%
	Interests held jointly with another person	34,850,000 (L) (Note 4)	7.26%
Mirousky	Beneficial owner	34,850,000 (L) (Note 5)	7.26%
Gain Smart	Interest in a controlled corporation	34,850,000 (L) (Note 5)	7.26%
Ms. Chow Jacqueline Wai Ying ("Ms. Chow")	Beneficial owner	35,950,000 (L) 35,950,000 (S)	7.49%
Mr. Yang Zaiyong ("Mr. Yang")	Beneficial owner	47,950,000 (L) (Note 6)	9.99%

Notes:

- The letter "L" denotes the person's long position in the Shares. The letter "S" denotes the person's short position in the Shares.

2. Explorer Vantage was incorporated in the British Virgin Islands and is beneficially and wholly-owned by Ms. Bonnie Chan Woo.
3. Mr. Darrin Woo is the spouse of Ms. Bonnie Chan Woo. By virtue of the SFO, Mr. Darrin Woo is deemed to be interested in the Shares which are interested by Ms. Bonnie Chan Woo.
4. Mirousky is wholly-owned by Gain Smart and Gain Smart is beneficially owned as to 50% by Ms. Bonnie Chan Woo and 50% by her spouse, Mr. Darrin Woo. By virtue of the SFO, Ms. Bonnie Chan Woo and Mr. Darrin Woo are deemed to be interested in the Shares held by Mirousky.
5. Mirousky is wholly-owned by Gain Smart. By virtue of the SFO, Gain Smart is deemed to be interested in such 34,850,000 Shares held by Mirousky.
6. As per the disclosure of interest form filed by Mr. Yang on 12 November 2021, Blockstone Ltd, which is beneficially owned by Mr. Yang, engaged the call option agreement with Ms. Chow to have a right to take 35,950,000 Shares, which is now held by Ms. Chow, during the option period prescribed in the said agreement on 4 November 2021.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (not being a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group and were recorded in the register required to be kept by the Company under Section 336 of the SFO.

As at the Latest Practicable Date, save and except for information above, no other Director nor any parties acting in concert with any of them was interested in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation, other than statutory compensation).

4. DIRECTORS' INTERESTS IN THE ASSETS, CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

None of the Directors was materially interested in any contract or arrangement which was entered into by any member of the Group and subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

None of the Directors has or had any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up.

5. COMPETING INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDER AND CLOSE ASSOCIATES

As at the Latest Practicable Date, none of the Directors, the controlling shareholders (as defined in the GEM Listing Rules) and their respective close associates had any interest in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the business of the Group or have or may have any other conflict of interest which any such person has or may have with the Group (as would be required to be disclosed pursuant to the GEM Listing Rules).

6. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or arbitration of material importance was pending or threatened against any member of the Group.

7. QUALIFICATION AND CONSENT OF EXPERT AND EXPERT'S INTERESTS

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Cushman & Wakefield Limited	An independent professional property valuer

As at the Latest Practicable Date, the expert:

- (a) was not interested beneficially in the shares in any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group; and
- (b) did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021 (being the date up to which the latest published audited consolidated financial statements of the Company were made up).

As at the date of this circular, the above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report and reference to its name included herein in the form and context in which it appears.

8. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board comprised three independent non-executive Directors, namely Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun, and Mr. Man Ka Ho Donald, with Mr. Ip Arnold Tin Chee as the chairman. The primary duties of the audit committee are (among other things) to review and supervise the financial control, internal control and risk management systems of the Group, and provide advice and comments on the Group's financial reporting matters to the Board.

Biographical information of each member of the audit committee of the Board are set out below:

Mr. Ip Arnold Tin Chee (“Mr. Arnold Ip”)

Mr. Arnold Ip, aged 59, was appointed as the independent non-executive Director on 16 November 2017 and is responsible for providing independent judgement to bear on issues of strategy, policy, performance, accountability, resources and standard conduct of the Company. He was appointed as the chairman of the audit committee (“Audit Committee”) and member of the nomination committee (“Nomination Committee”) and remuneration committee (“Remuneration Committee”) of the Company on 8 December 2017. Mr. Arnold Ip earned his Bachelor of Arts degree and Master of Arts degree from the University of Cambridge in the United Kingdom in June 1984 and November 1988, respectively. Mr. Arnold Ip was also formerly a director at Standard Chartered Asia Limited. Mr. Arnold Ip also served Yuanta Securities (Hong Kong) Company Limited and had been a director until January 2001. In September 2000, Mr. Arnold Ip founded the group to which Altus Holdings Limited (stock code: 8149.hk) belongs. Mr. Arnold Ip is a founding member of the management team of several funds, part of which subsequently formed Saizen REIT, a real estate investment trust listed on the Singapore Exchange Securities Trading Limited from November 2007 to October 2017. Mr. Arnold Ip is currently licensed by the Securities and Futures Commission of Hong Kong (the “SFC”) to act as a responsible officer to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. He is also a principal of Altus Capital Limited, a corporation licensed by the SFC to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. He was admitted to membership of The Institute of Chartered Accountants in England and Wales in July 1988.

Mr. Arnold Ip's directorships in other companies listed on the Stock Exchange are set out below:

Name of company	Stock code	Position	Length of service
Pioneer Global Group Limited	0224	Independent non-executive director	23 June 1999 to present
Pak Fah Yeow International Limited	0239	Independent non-executive director	8 September 2004 to present
Sam Woo Construction Group Limited	3822	Independent non-executive director	15 September 2014 to present
Altus Holdings Limited	8149	Executive director	14 December 2015 to present

Mr. Hung Alan Hing Lun (“Mr. Alan Hung”)

Mr. Alan Hung, aged 47, was appointed as the independent non-executive Director on 3 April 2017 and is responsible for providing independent judgement to bear on issues of strategy, policy, performance, accountability, resources and standard conduct of the Company. He was appointed as the chairman of the Remuneration Committee and members of the Audit Committee and Nomination Committee on 8 December 2017. Mr. Alan Hung has over 23 years of experience in the finance and investment industry. He started his career as an equity analyst at Credit Lyonnais Securities (Asia) Limited (now known as CITIC CLSA Capital Markets Limited) from February 1997 to April 1999. Thereafter, he co-founded Trading Guru Securities Limited (now known as Orient Securities Limited) and acted as its chairman overseeing the entire operation from or around May 1999 to July 2004. Mr. Alan Hung joined Kennen Investment Holdings Limited as a director overseeing investment projects in the PRC from January 2005 to January 2012. He is the co-founder of Keial Investment Holdings Limited overseeing the direction and investments since January 2012. Mr. Alan Hung earned his Bachelor of Arts Degree with honours from Brown University with concentrations in history and organization, behavior and management (OBM) in May 1997. He is a Chartered Financial Analyst and a certified member of the Institute of Certified Management Accountants of Australia. Mr. Alan Hung is licensed by the SFC to act as a representative of AEM Investment Services Limited to carry out Type 1 (Dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO with effect from 25 January 2021. Also, he is licensed by the SFC to act as a responsible officer of AEM Asset Management Limited to carry out Type 9 (asset management) regulated activities under the SFO with effect from 25 January 2021.

Mr. Man Ka Ho Donald (“Mr. Donald Man”)

Mr. Donald Man, aged 44, was appointed as the independent non-executive Director on 16 November 2017 and is responsible for providing independent judgement to bear on issues of strategy, policy, performance, accountability, resources and standard conduct of the Company. He was appointed as the chairman of the Nomination Committee and member of our Audit Committee and Remuneration Committee on 8 December 2017. Mr. Donald Man earned his Bachelor of Science degree in Business Studies from The City University London, now known as the City, University of London, in United Kingdom in July 1998. Mr. Donald Man was admitted as a solicitor of the Supreme Court of England and Wales since September 2003 and has over 17 years of experience in the legal field. He is currently a registered foreign lawyer at Ince & Co’s Hong Kong office since November 2011. Mr. Donald Man has been an independent non-executive director of Kiddieland International Limited (stock code: 3830) since 31 August 2017.

9. MATERIAL CONTRACTS

The following contract (not being contracts in the ordinary course of business) has been entered into by members of the Group within the two years immediately preceding the date of this circular, which are, or may be, material to the Group:

- (a) the Transfer Deed.

10. MISCELLANEOUS

- (a) The secretary of the Company is Ms. Tsui Sum Yi, an associate member of The Chartered Governance Institute and an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries.
- (b) The compliance officer of the Company is Ms. Bonnie Chan Woo and her biographical details and professional qualifications are set out on page 13 of the annual report of the Company for the year ended 31 December 2021 published on 30 March 2022.
- (c) The head headquarters and principal place of business of the Company in Hong Kong is at Flat B, 9/F, Safety Godown Industrial Building, 56 Ka Yip Street, Chai Wan, Hong Kong. The registered office of the Company is at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (d) The principal share registrar and transfer office of the Company in the Cayman Islands is Ocorian Trust (Cayman) Limited at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text.

11. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.iciclegroup.com) for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts referred to in the paragraph headed “9. Material contracts” in this appendix;
- (c) the annual reports of the Company for the financial years ended 31 December 2019, 2020 and 2021 and the quarterly report of the Company for the three months ended 31 March 2022;
- (d) the valuation report of Cushman & Wakefield Limited, the text of which is set out in Appendix II to this circular;
- (e) the letter of consent referred to in paragraph headed “7. Qualification and consent of expert and expert’s interests” in this appendix; and
- (f) this circular.