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HMV Digital China Group Limited

HMV 數碼中國集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8078)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “SGM”) of HMV Digital China Group Limited (the “Company”) will be held at Units B–D, 8/F, D2 Place Two, 15 Cheung Shun Street, Cheung Sha Wan, Kowloon, Hong Kong at 3:00 p.m. on Wednesday, 27 March 2019 to consider and, if thought fit, to approve the following resolution as a special resolution of the Company:

SPECIAL RESOLUTION

“**THAT**, conditional upon (i) compliance by the Company with the requirements of section 46(2) of the Companies Act 1981 of Bermuda to effect the Capital Reduction (as defined below) and (ii) the GEM Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and the permission to deal in, the Adjusted Shares (as defined below) in issue, with effect from the business day immediately following the date of passing this resolution:

- (a) every forty (40) issued shares of the Company of a par value of HK\$0.01 each (the “**Existing Shares**”) in the issued share capital of the Company be consolidated into one (1) consolidated share of a par value of HK\$0.40 each (the “**Consolidated Shares**” and each a “**Consolidated Share**”) in the issued share capital of the Company (the “**Share Consolidation**”);
- (b) immediately following the Share Consolidation, the issued share capital of the Company be reduced by (i) cancelling any fraction of a Consolidated Share in the issued share capital of the Company; and (ii) cancelling the paid up capital of the Company to the extent of HK\$0.39 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$0.40 to HK\$0.01 (the “**Adjusted Shares**” and each an “**Adjusted Share**”) (the “**Capital Reduction**”, together with the Share Consolidation, the “**Capital Reorganisation**”);

- (c) all of the Adjusted Shares resulting from the Capital Reorganisation shall rank *pari passu* in all respects with each other in accordance with the memorandum of association and bye-laws of the Company;
- (d) the credit arising from the Capital Reduction be transferred to the contributed surplus account of the Company which may be applied by the directors of the Company (“**Director(s)**”) in accordance with the bye-laws of the Company and all applicable laws, including towards setting off the accumulated losses of the Company;
- (e) fractional Consolidated Shares will be disregarded and will not be issued to the shareholders of the Company but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company; and
- (f) any one Director be and is hereby authorised, for and on behalf of the Company, to enter into any agreement, deed or instrument and/or to execute and deliver all such documents and/or do all such acts on behalf of the Company as he/she may consider necessary, desirable or expedient to complete, implement and give effect to any and all the arrangements in relation to the Capital Reorganisation.”

By order of the Board
HMV Digital China Group Limited
Shiu Stephen Junior
Chairman

Hong Kong, 4 March 2019

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business:*
Units B–D, 8/F., D2 Place Two
15 Cheung Shun Street
Cheung Sha Wan
Kowloon, Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM convened by the above notice is entitled to appoint a proxy or, if such member is a holder of more than one share, more than one proxy to attend and vote instead of such member. Where a member appoints more than one proxy the instrument of proxy shall state which proxy is entitled to vote on a poll. A proxy need not be a member of the Company.

2. To be valid, a form of proxy must be delivered to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the meeting or adjourned meeting. If a form of proxy is signed under a power of attorney, the power of attorney or other authority relied on to sign it (or an office copy) must be delivered to the branch share registrar of the Company in Hong Kong with the form of proxy, except that the power of attorney which has already been registered with the Company need not be so delivered. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof should he so wish.
3. Where there are joint holders of a share of the Company, any one of such holders may vote at the meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.
4. The register of members of the Company will be closed from Thursday, 21 March 2019 to Wednesday, 27 March 2019 (both dates inclusive), during which period no transfer of shares in the Company will be registered. In order to qualify for attending and voting at the SGM, all transfers, accompanied by the relevant certificates, must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Wednesday, 20 March 2019.
5. The votes to be taken at the SGM for the resolution will be by way of a poll.
6. A proxy form for use at the SGM is enclosed. Whether or not you intend to attend the SGM in person, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon.
7. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under its seal or under the hands of any officer or attorney duly authorised.
8. Completion and return of a proxy form shall not preclude a member from attending and voting in person at the SGM or any adjournment thereof (as the case may be) and, in such event, the proxy form appointing a proxy shall be deemed to be revoked.

As at the date of this notice, the Board comprises Mr. Shiu Stephen Junior (Chairman), Mr. Sun Lap Key, Christopher and Mr. Lee Wing Ho, Albert as executive Directors and Mr. Chan Chi Ho, Mr. Kam Tik Lun and Ms. Yang Yusi as independent non-executive Directors.

This notice, 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 notice 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 notice misleading.

This notice will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for seven days from the day of its posting and on the website of the Company at www.china3d8078.com.