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## **PROPOSED ISSUE OF (i) CONVERTIBLE BONDS UNDER GENERAL MANDATE AND (ii) NOTES**

### **PROPOSED ISSUE OF (i) CONVERTIBLE BONDS AND (ii) NOTES**

The Company is pleased to announce that on 17 November 2017 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, (i) the Convertible Bond in the aggregate principal amount of HK\$150,000,000 and (ii) the Notes in the aggregate principal amount of HK\$150,000,000. The net proceeds from the Convertible Bond and the Notes will be used for the purposes of providing general working capital for the business of the Group; and/or funding investments by the Group into potential business opportunities.

Upon full conversion of the Convertible Bonds at the Conversion Price of HK\$0.273 per Conversion Share, a total of 549,450,549 Conversion Shares will be allotted and issued, representing approximately 4.01% of the issued shares of the Company as at the date of this announcement and approximately 3.92% of the issued shares of the Company as enlarged by the Conversion Shares (assuming there is no other change in the number of issued shares of the Company between the date of this announcement and the full conversion of the Convertible Bond). The Conversion Shares will be issued pursuant to the General Mandate.

No listing of the Convertible Bonds and the Notes will be sought on the Stock Exchange or any other stock exchanges. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

**Shareholders and potential investors should note that the subscription of the Convertible Bonds and the Notes is subject to the fulfillment and/or waiver of the condition(s) as set out in the Subscription Agreement, and the subscription of the Convertible Bonds and the Notes may or may not complete. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **PROPOSED ISSUE OF CONVERTIBLE BONDS AND NOTES**

The Company is pleased to announce that on 17 November 2017 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for (i) the Convertible Bonds in the aggregate principal amount of HK\$150,000,000 and (ii) the Notes in the aggregate principal amount of HK\$150,000,000. The net proceeds from the Convertible Bonds and the Notes will be used for the purposes of providing general working capital for the business of the Group; and/or funding investments by the Group into potential business opportunities. Details of the Subscription Agreement, the principal terms of the Convertible Bonds and the Notes are described below.

### **THE SUBSCRIPTION AGREEMENT**

#### **Date**

17 November 2017 (after trading hours)

#### **Parties**

- (i) Issuer : the Company
- (ii) Subscriber : Wan Tai Investments Limited

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber is a third party independent of the Company and its connected persons. Based on information provided to the Company, the Subscriber is a limited liability business company incorporated under the laws of the British Virgin Islands and an indirectly wholly-owned special purpose vehicle of CCB International (Holdings) Limited. CCB International (Holdings) Limited is an investment services flagship which is wholly-owned by China Construction Bank Corporation, a joint stock company incorporated in the PRC and listed on the Main Board of the Stock Exchange (stock code: 0939) and the Shanghai Stock Exchange (stock code: 601939).

#### **Subject matter**

Subject to the fulfilment of the Closing Conditions set out below, the Subscriber shall subscribe for, and the Company shall issue, the Convertible Bond in the aggregate principal amount of HK\$150,000,000 and the Notes in the aggregate principal amount of HK\$150,000,000.

## **Closing Conditions**

Completion of the subscription of the Convertible Bonds and the Notes is conditional upon, among others:

- (i) the Company having provided to the Subscriber a copy of the 2017 annual general minutes of the Company approving the general mandate to show that the creation, allotment and issuance by the Company of the Convertible Bonds and the Conversion Shares are authorised in accordance with the general mandate and no extraordinary shareholders' approval of the Company is required for the creation, issuance or allotment of the Convertible Bonds or the Conversion Shares;
- (ii) the Stock Exchange having granted the listing of and the permission to deal in the Conversion Shares and such approval remaining valid and effective;
- (iii) all necessary regulatory filings, notifications and approvals to the relevant Government Authorities to enter into the transaction documents and security documents and perform the obligors' obligations having been made and obtained, and such filings, notifications and approvals remaining valid and effective, and no Government Authority having taken or initiated any action which would prohibit the transactions contemplated under any transaction documents;
- (iv) a number of Shares to be deposited to securities accounts to be established as charged shares at a value of equal to or more than HK\$450,000,000, to be calculated based on the arithmetic average Closing Price of the Shares for each of the previous 30 Trading Days prior to the Closing Date;
- (v) there having been no material adverse change that has a material adverse effect on, the business, operations, financial positions, earnings, conditions or prospects of the Group;
- (vi) there having been no event of default;
- (vii) all obligations under the transaction documents and the security documents required to be performed by any of the obligors before the Closing Date having been performed, and no breach of any provision of any transaction document or the security document by any of the obligors having occurred before the Closing Date;
- (viii) the Subscriber having satisfied with the results of its due diligence on the Company and any Group Company in its sole discretion;
- (ix) the warranties under the Subscription Agreement remaining true, accurate and not misleading in each case in accordance with their terms; and
- (x) the Subscriber having received legal opinions in a form satisfactory to the Subscriber.

If the Closing Conditions are not either waived or satisfied, as the case may be, on the Long Stop Date or such later date as may be agreed between the Company and the Subscriber the Subscription Agreement shall automatically terminate and no party will have any claim against the other for costs, damages, compensation or otherwise.

### **Completion**

Completion of the subscription of the Convertible Bonds and the Notes shall take place on the third (3<sup>rd</sup>) Business Day upon all Closing Conditions have been satisfied or waived, or such other date as the parties may agree in writing at a place to be mutually agreed by the Company and the Subscriber.

### **PRINCIPAL TERMS OF THE CONVERTIBLE BONDS**

Issuer	:	The Company
Principal amount	:	HK\$150,000,000
Interest rate	:	8% per annum on the outstanding principal amount thereof, which will be payable semi-annually in arrears.
Maturity Date	:	One year from the Issue Date or if such date is not a Business Day, the next Business Day (the “ <b>Maturity Date</b> ”).
Conversion Period	:	Any time within the period beginning on, and including, the Issue Date and ending on, and including, the earlier to occur of: (i) 5:00 p.m. on the Maturity Day; and (ii) if the Convertible Bonds has been called for redemption before the Maturity Date, 5:00 p.m. on the day which is five (5) Business Days before the date fixed for redemption (the “ <b>Conversion Period</b> ”).

Conversion rights : Holders of the Convertible Bonds will have the right to convert such Convertible Bonds (in full or in part) into fully-paid Shares listed and traded on the Stock Exchange at the bondholder's election at any time during the Conversion Period provided that (i) any conversion of the Convertible Bonds does not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holder(s) of the Convertible Bonds who, following the exercise of the conversion rights attached to the Convertible Bonds held, represents more than 30% (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the then voting rights of the Company or otherwise pursuant to other provisions of the Takeovers Code and (ii) the public float of the Shares shall not be less than 25% (or any given percentage as required by the GEM Listing Rules) of the issued Shares at the relevant time in compliance with the GEM Listing Rules.

Conversion Shares : Assuming the conversion rights attached to the Convertible Bonds are exercised in full at the initial Conversion Price of HK\$0.273 per Conversion Share, a maximum of 549,450,549 Conversion Shares will be allotted and issued, representing 4.01% of the issued share capital of the Company as at the date of this announcement and 3.92% of the issued share capital of the Company as at the date of this announcement as enlarged by the issue of the Conversion Shares.

Conversion Price subject to any adjustment : HK\$0.273 per Conversion Share, being 110% of the Base Price, subject to any adjustment, as summarized in the paragraph headed "Adjustment Events" below.

The initial Conversion Price was determined after arm's length negotiations between the Company and the bondholder with reference to the market price of the Shares under the prevailing market conditions.

Assuming conversion of the Convertible Bonds into the Conversion Shares in full and after deducting the costs and expenses incurred in connection with the issue of the Convertible Bonds, it is estimated that the net proceeds from the issue of the Convertible Bonds is approximately HK\$149,000,000, representing a net issue price of approximately HK\$0.271 per Conversion Share.

- Redemption on Maturity : Unless previously redeemed, converted or purchased and cancelled, the Company will redeem all the outstanding Convertible Bonds on the Maturity Date.
- Company's Early Redemption : If the arithmetic average of the Closing Price for any thirty (30) consecutive Trading Days falling on or after the date of issue of the Convertible Bonds is higher than 130% of the Base Price, the Company is entitled to issue a conversion notice to the bondholder to request it to exercise the conversion right. If the bondholder (i) exercises its conversion right in part, or (ii) does not respond to the conversion notice within 10 Business Days of the receipt of the conversion notice, the Company shall redeem the portion of the Convertible Bonds that is not subject to the conversion notice.
- Default Redemption : At any time following the occurrence of an Event of Default and subject to the Subscriber's confirmation in writing that there is occurrence of an Event of Default, the Subscriber shall, during the continuance of the Event of Default, has the right at its sole option (but is not obliged) to require the Company to redeem the Convertible Bond in full.
- Event of Default : The Convertible Bonds will contain events of default provisions specified in the conditions of the Convertible Bonds, including but not limited to,
- (i) change of control in any Group Company without the Subscriber's approval;
  - (ii) insolvency of any Group Company which has significant business operations;
  - (iii) wind up of any Group Company which has significant business operations;
  - (iv) the Shares shall cease to be listed on the Stock Exchange or steps are taken by or on behalf of the Company to effect such cessation; and

- (v) trading in the Shares on the Stock Exchange has been suspended for two (2) or more consecutive Trading Days and, in the event that such suspension is (i) due to the pending announcement of any transaction or proposed transaction by any Group Company which constitutes or will constitute a notifiable transaction of the Company referred to in Chapter 19 of the Listing Rules or a connected transaction of the Issuer referred to in Chapter 20 of the Listing Rules, or (ii) to comply with the Takeovers Code, trading in the Shares on the Stock Exchange is suspended for five (5) or more consecutive Trading Days.

- Adjustments Events : The Conversion Price will be subject to adjustment(s) for,
- (i) distribution to the shareholders;
  - (ii) bonus issues;
  - (iii) alteration to the nominal value of the Shares as result of consolidation or subdivision;
  - (iv) issue, grant or offer Shares, rights and share-related securities;
  - (v) issue of other securities to shareholders;
  - (vi) issue of Shares at below current market price;
  - (vii) issue of share-related securities other than to shareholders;
  - (viii) amendment of terms of rights or share-related securities;
  - (ix) demerger of the Group; and
  - (x) other events the bondholder reasonably determines that an adjustment should be made to the Conversion Price.

- Status of Convertible Bond : The Convertible Bond shall constitute direct, senior, unsubordinated, unconditional and secured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves.
- Transferability : Subject to the terms and conditions of the Convertible Bond, the Convertible Bond may be transferred by the Subscriber in whole amount or partially without the consent of the Company.
- Voting : Holder of the Convertible Bond shall not be entitled to attend or vote at any meetings of the Company by reason only of its being a holder of the Convertible Bond.
- Listing : No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares that may be allotted and issued upon the exercise of the conversion rights attached to the Convertible Bonds.

#### **PRINCIPAL TERMS OF THE NOTES**

- Issuer : The Company
- Principal amount : HK\$150,000,000
- Interest rate : 8% per annum on the outstanding principal amount thereof, which will be payable semi-annually in arrears.
- Maturity Date : One year from the Issue Date or if such date is not a Business Day, the next Business Day (the “**Maturity Date**”).
- Redemption on Maturity : Unless previously redeemed, converted or purchased and cancelled, the Company will redeem all the outstanding Notes on the Maturity Date.



- Default Redemption : At any time following the occurrence of an Event of Default and subject to the Subscriber's confirmation in writing that there is occurrence of an Event of Default, the Subscriber shall, during the continuance of the Event of Default, has the right at its sole option (but is not obliged) to require the Company to redeem the Notes in full.
- Event of Default : The Notes will contain events of default provisions specified in the conditions of the Notes, including but not limited to,
- (i) change of control in any Group Company without the Subscriber's approval;
  - (ii) insolvency of any Group Company which has significant business operations;
  - (iii) wind up of any Group Company which has significant business operations;
  - (iv) the Shares shall cease to be listed on the Stock Exchange or steps are taken by or on behalf of the Company to effect such cessation; and
  - (v) trading in the Shares on the Stock Exchange has been suspended for two (2) or more consecutive Trading Days and, in the event that such suspension is (i) due to the pending announcement of any transaction or proposed transaction by any Group Company which constitutes or will constitute a notifiable transaction of the Company referred to in Chapter 19 of the Listing Rules or a connected transaction of the Issuer referred to in Chapter 20 of the Listing Rules, or (ii) to comply with the Takeovers Code, trading in the Shares on the Stock Exchange is suspended for five (5) or more consecutive Trading Days.
- Status of Notes : The Notes shall constitute direct, senior, unsubordinated, unconditional and secured obligations of the Company and shall at all times rank pari passu and without any preference or priority among themselves.
- Transferability : Subject to the terms and conditions of the Notes, the Notes may be transferred by the Subscriber in whole amount or partially without the consent of the Company.

Listing : No application will be made for the listing of, and permission to deal in the Notes on the Stock Exchange or any other stock exchange.

### MANDATE TO ISSUE THE CONVERSION SHARES

As at the date of this announcement, no Shares have been allotted and issued by the Company under the General Mandate. Upon exercise in full of the conversion rights attaching to the Convertible Bonds, an aggregate of 549,450,549 Conversion Shares shall be allotted and issued under the General Mandate. Accordingly, the issue of the Convertible Bonds is not subject to any Shareholders' approval.

### EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Conversion Shares (assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.273 per Conversion Share and there is no other change in the number of issued shares of the Company between the date of this announcement and the full conversion of the Convertible Bonds), are set out below for illustration purpose only:

	As at the date of this announcement		Immediately after the allotment and issue of the Conversion Shares upon full exercise of the conversion rights attached to the Convertible Bond	
	No. of Shares	%	No. of Shares	%
Shiu Stephen Junior ( <i>Note 1</i> )	283,840	0.00	283,840	0
Cheung Hung Lui ( <i>Note 2</i> )	40,000	0.00	40,000	0
AID Partners Urban Development Company Limited ( <i>Note 3</i> )	518,213,964	3.85	518,213,964	3.69
AID Treasure Investment Limited ( <i>Note 4</i> )	3,040,372,782	22.56	3,040,372,782	21.68
Subscriber	–	–	549,450,549	3.92
Public Shareholders	9,916,873,094	73.59	9,916,873,094	70.71
<b>Total:</b>	<b>13,475,783,680</b>	<b>100</b>	<b>14,025,234,229</b>	<b>100</b>

*Notes:*

1. Mr. Shiu Stephen Junior is the chairman and executive Director of the Company.
2. Mr. Cheung Hung Lui is executive Director of the Company.
3. AID Partners Urban Development Company Limited (“AID Partners”) owns 518,213,964 shares. 60% of the issued share capital of AID Partners are held by Mr. Wu King Shiu, Keivin (“Mr. Wu”), the former non-executive director of the Company. Accordingly, Mr. Wu is deemed to be interested in the shares held by AID Partners. Ms. Li Mau (“Ms. Li”) is the executive director of the Company and the spouse of Mr. Wu. Ms. Li is also deemed to be interested in the shares held by AID Partners.
4. AID Treasure Investment Limited, a wholly-owned subsidiary of Silver Alpine Limited, which is in turn a wholly-owned subsidiary of AID Partners Technology Holdings Limited, a listed company on the GEM Board of the Stock Exchange.

## **REASONS FOR THE ISSUE OF THE CONVERTIBLE BONDS AND THE NOTES AND USE OF PROCEEDS**

The Group is principally engaged in the entertainment business, with a focus in television program and movie production, distribution, distribution licensing, cinema operation and management in both Hong Kong and the PRC, artists management, money lending activities and acquisitions of corporate bonds, preference shares as well as investment in securities.

It has been the intention of the Group to develop its principal businesses and to seize investment or business opportunities for the purposes of diversifying business portfolio. The Company considers that the issue of the Convertible Bonds and the Notes represents a good fund raising opportunity to strengthen its financial position. The net proceeds arising from the issue of the Convertible Bonds and the Notes, after deduction of expenses, will amount to HK\$299,000,000, which shall be applied towards general working capital purposes and funding investments by the Group into potential business opportunities.

Given the above, the Directors are of the view that the terms of the Subscription Agreement (including the Conversion Price) are of normal commercial terms based on arm’s length negotiations between the Company and the Subscriber, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company conducted the following equity fund raising exercise(s) in the past twelve months immediately preceding the date of this announcement.

Date of announcement	Events	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
3 March 2017	Placing of new Shares under general mandate and specific mandate	HK\$598.5 million	<ul style="list-style-type: none"> <li>(i) approximately HK\$32 million will be applied towards the investment in two cinema theatres in Hong Kong;</li> <li>(ii) approximately HK\$186.6 million will be applied towards the production of movies and television drama;</li> <li>(iii) approximately HK\$38.70 million will be applied towards the construction of HMV shopping malls in the PRC;</li> <li>(iv) approximately HK\$38.70 million will be applied towards the development of "OTT" platform of the Group;</li> <li>(v) approximately HK\$193 million will be applied towards potential acquisition of variety show production group in Korea;</li> <li>(vi) approximately HK\$20.70 million will be applied towards the potential acquisition of an entertainment group in Taiwan; and</li> <li>(vii) approximately HK\$88.80 million will be applied towards the general working capital and/or possible investment and/or development of the Group's business</li> </ul>	<ul style="list-style-type: none"> <li>(i) HK\$18 million for investment in two cinema theatres in Hong Kong;</li> <li>(ii) HK\$240.1 million for the production of movies and television drama;</li> <li>(iii) HK\$0.6 million for the construction of HMV shopping malls in the PRC;</li> <li>(iv) HK\$11 million for the development of "OTT" platform of the Group;</li> <li>(v) HK\$234 million for potential acquisition of variety show production group in Korea and an entertainment group in Taiwan; and</li> <li>(vii) HK\$94.8 million for the general working capital and/or possible investment and/or development of the Group's business.</li> </ul>

**Shareholders and potential investors should note that the subscription of the Convertible Bonds and the Notes is subject to the fulfillment and/or waiver of the condition(s) as set out in the Subscription Agreement, and the subscription of the Convertible Bonds and the Notes may or may not complete. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Base Price”	HK\$0.248, being the arithmetic average of Closing Price of the Shares for each of the 30 Trading Days which immediately precedes the date of the Subscription Agreement
“Bond Instrument”	the bond instrument to be executed by the Company pursuant to the Subscription agreement constituting the Convertible Bond
“Business Days”	means a day on which commercial banks and foreign exchange markets settle payments in Hong Kong, Bermuda and the Cayman Islands, excluding any day in Hong Kong on which a typhoon signal number 8 or above or a “black” rainstorm warning is hoisted
“Closing Conditions”	the closing conditions of the Subscription Agreement
“Closing Date”	the date which is the third (3rd) business day after, and excluding, the date upon which the last of the Closing Conditions has been satisfied or waived (or if already satisfied/waived before such date, remain satisfied or waived as of such date) but excluding any Closing Conditions to be satisfied on the Closing Date, or such other date as the parties may agree in writing
“Closing Price”	the Shares for any Trading Day shall be the last-traded price as published in the daily quotation sheet published by the Hong Kong Stock Exchange for such day
“Company”	HMV Digital China Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8078)
“Connected Person”	has the meaning as ascribed to it under the GEM Listing Rules

“Conversion Price”	HK\$0.273 per Share subject to adjustment(s) in the manner provided in the terms and conditions of the Convertible Bonds
“Conversion Share(s)”	the Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	8% secured Convertible Bonds in the principal amount of HK\$150,000,000 due on the first (1st) anniversary of the Issue Date to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Director(s)”	director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“General Mandate”	the general mandate from the Shareholders granted to the Directors at the annual general meeting of the Company held on 8 March 2017 to allot and issue Shares (including the issue of any securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares) up to an aggregate number of Shares not exceeding 20% of the number of Shares in issue as at 8 March 2017 (being 2,212,036,736 Shares), in accordance with the relevant provisions of the GEM Listing Rules
“Government Authority”	means any national, provincial, municipal, city or local government or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through share or capital ownership or otherwise, by any of the foregoing (for the avoidance of doubt, including the Stock Exchange)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Issue Date”	means the date on which the Convertible Bonds or the Notes issued in accordance with the Subscription Agreement
“Last Trading Day”	16 November 2017, being the last Trading Day immediately before the issue of this announcement
“Long Stop Date”	the date falling three (3) months from the date of the Subscription Agreement
“Notes”	the HK\$150,000,000 8% secured notes of the Company constituted by the Note Instrument, or as the context may require, any portion of it
“Note Instrument”	the note instrument to be executed by the Company pursuant to the Subscription Agreement constituting the Notes
“Shares”	ordinary shares in the share capital of the Company which, as at the date of the Subscription Agreement, have a par value of HK\$0.01
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Wan Tai Investments Limited (萬鈞投資有限公司), is a limited liability business company incorporated under the laws of the British Virgin Islands and an indirectly wholly-owned special purpose vehicle of CCB International (Holdings) Limited. CCB International (Holdings) Limited is an investment services flagship which is wholly-owned by China Construction Bank Corporation, a joint stock company incorporated in the PRC and listed on the Main Board of the Stock Exchange (stock code: 0939) and the Shanghai Stock Exchange (stock code: 601939)
“Subscription Agreement”	the subscription agreement dated 17 November 2017 and entered into between the Company and the Subscriber in relation to the subscription of the Convertible Bonds
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs

“Trading Day”

a day when the Stock Exchange is open for dealing business, provided that if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days

By order of the board of Directors of  
**HMV Digital China Group Limited**  
**Shiu Stephen Junior**  
*Chairman*

Hong Kong, 17 November 2017

*As at the date of this announcement, the board of Directors comprises five executive Directors, namely, Mr. Shiu Stephen Junior (Chairman), Ms. Li Mau (Co-Chairman), Mr. Sun Lap Key, Christopher, Mr. Lee Wing Ho, Albert and Mr. Cheung Hung Lui; and three independent non-executive Directors, namely, Mr. Kam Tik Lun, Mr. Chan Chi Ho and Mr. Tam Kwok Ming, Banny.*

*This announcement, 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 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 GEM website at <http://www.hkgem.com> for seven days from the date of its publication and on the website of the Company at <http://www.china3d8078.com>.*