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財華社
FINET

FINET GROUP LIMITED

財華社集團有限公司

(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock code: 08317)

CONNECTED TRANSACTION PROPOSED SUBSCRIPTION OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE AND RESUMPTION OF TRADING

Financial Adviser to the Company



**WALLBANCK BROTHERS
Securities (Hong Kong) Limited**

SUBSCRIPTION OF CONVERTIBLE BONDS

On 25 July 2015, the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds with an aggregate principal amount of HK\$69,696,000.

Upon full conversion of the Convertible Bonds at the initial Conversion Price, the Convertible Bonds will be convertible into 176,000,000 Shares, representing approximately 39.93% of the existing issued share capital of the Company and approximately 28.53% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds.

The Conversion Shares which fall to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds will be allotted and issued under the Specific Mandate to be approved by the Independent Shareholders at the SGM.

GEM LISTING RULE IMPLICATIONS

As at the date of this announcement, Ms. Lo Yuk Yee, the chairman and an executive Director of the Company indirectly holds 100% shareholding of the Subscriber and is a controlling Shareholder of the Company, holding 278,439,784 Shares, representing approximately 63.16% of the total issued share capital of the Company. Accordingly, the Subscriber and Ms. Lo Yuk Yee are connected persons of the Company under the GEM Listing Rules. Therefore, the Subscription constitutes a non-exempt connected transaction of the Company subject to reporting, announcement, and the Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules by way of poll at the SGM. The Subscriber, Ms. Lo Yuk Yee and their respective associates shall abstain from voting at the SGM to be convened to consider and, if thought fit, to approve the Subscription Agreement and the transactions contemplated thereunder, including, among other things, the allotment and issue of the Conversion Shares under the Specific Mandate. To the best of the Directors' information, belief and knowledge, save for the Subscriber, Ms. Lo Yuk Yee and their respective associates, no other parties have any material interest which is different from other Shareholders in relation to the Subscription and the grant of the Specific Mandate.

GENERAL

An Independent Board Committee will be established to make recommendation to the Independent Shareholders regarding the Subscription Agreement and the transactions contemplated thereunder. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder.

The SGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve the Subscription Agreement and the transactions contemplated thereunder.

A circular containing, amongst other things, (i) further details of the Subscription, (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Subscription, (iii) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription and (iv) notice of the SGM, is expected to be despatched as soon as practicable in accordance with the GEM Listing Rules.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 27 July 2015 pending the release of this announcement. Application has been made by the Company for resumption of trading in its Shares on the Stock Exchange with effect from 9:00 am on 28 July 2015.

WARNING NOTICE

Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

I. SUBSCRIPTION OF CONVERTIBLE BONDS

Subscription Agreement

On 25 July 2015, the Company entered into the Subscription Agreement with the Subscriber, a substantial shareholder of the Company, of which is indirectly controlled by Ms. Lo Yuk Yee, who is a controlling Shareholder of the Company and is the chairman and an executive Director of the Company, pursuant to which the Company has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$69,696,000.

Date : 25 July 2015

Parties : Issuer : The Company

Subscriber : Maxx Capital International Limited

Pursuant to the Subscription Agreement, the Company conditionally agreed to issue and the Subscriber conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$69,696,000.

The Convertible Bonds carry the right to convert into Conversion Shares at the Conversion Price of HK\$0.396 per Conversion Share (subject to reset and adjustments mechanisms). Assuming the conversion rights attaching to the Convertible Bonds are exercised in full at the Conversion Price of HK\$0.396 per Conversion Share, 176,000,000 Conversion Shares will fall to be issued to the Bondholders, representing approximately 39.93% of the issued capital of the Company as at the date of this announcement and approximately 28.53% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

Conditions Precedent

The Subscription Agreement is conditional upon:

1. No takeover implications nor obligations having been triggered under Takeovers Codes;
2. No breach of public float requirements under the GEM Listing Rules;
3. The passing of resolution(s) by the Independent Shareholders to approve the Subscription Agreement and the transactions contemplated thereunder, including, among other things, the allotment and issue of the Conversion Shares concerning the Subscription Agreement under the Specific Mandate at the SGM;
4. The Listing Committee of the Stock Exchange shall have approved the issue of the Convertible Bonds either unconditionally or subject to conditions to which neither the Company nor the Subscriber shall object without reasonable grounds and the satisfaction of such conditions;

5. The Listing Committee of the Stock Exchange shall have granted (either unconditionally or subject to conditions to which neither the Company nor the Subscriber shall object without reasonable grounds) the listing of, and permission to deal in, the Conversion Shares which fall to be allotted and issued upon the conversion of the Convertible Bonds;
6. No material adverse change in the business or in the financial or trading position of the Group;
7. The relevant monetary authority approving the issue of the Conversion Shares (if required);
8. Any other approval as may be required for the Subscription.
9. all necessary approvals, consents or waivers required by the Subscriber for the consummation of the transactions contemplated under the Subscription Agreement having been obtained; and
10. all representations, warranties and undertakings given by the Company under the Subscription Agreement remaining true and correct at all times as from the signing of the Subscription Agreement up to Completion, as if they were made on and as of Completion.

If the conditions above are not fulfilled on or before Long Stop Date, the obligations of the Company and the Subscriber under the Subscription Agreement shall forthwith cease and terminate and neither the Company nor the Subscriber shall have a claim against the other party.

Completion

Subject to the fulfillment of the conditions set out in subsection “Conditions Precedent”, the Completion shall take place at or before 5:00 p.m. (Hong Kong time) on the Completion Date, or such other time and date as the parties may agree in writing. The aggregate consideration for the Convertible Bonds shall be payable by the Subscriber to the Company upon Completion of the Subscription.

Termination

If at any time prior to 9:00 a.m. (Hong Kong time) on the Completion Date, there develops, occurs or comes into force:

1. The introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) which may in the fair and reasonable opinion of the Subscriber materially and adversely affect the business or financial condition or prospects of the Group as a whole; or
2. Any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date thereof) of a political, military, economic or other nature (whether or not ejusdem generis with the foregoing) which, in the fair and reasonable opinion of the Subscriber will, or may be expected to, have a material adverse effect on the Subscription; or

3. Any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the fair and reasonable opinion of the Subscriber has or may have a material adverse effect on the Subscription; or
4. Any breach of any of the warranties which in the fair and reasonable opinion of the Subscriber is material in the context of the Subscription, comes to the knowledge of the Subscriber or there has been a breach by the Company of any other provision of the Subscription Agreement which in the fair and reasonable opinion of the Subscriber is material in the context of the Subscription; or
5. There is any material adverse change in the business or in the financial or trading position of the Group taken as a whole which the Subscriber is unaware of and which in the fair and reasonable opinion of the Subscriber is material in the context of the Subscription;

then and in any such case, the Subscriber may, in its fair and reasonable opinion (and after consultation with the Company) terminate the Subscription Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to the Completion Date.

In the event that the Subscription Agreement is terminated, all obligations of each of the parties thereunder shall cease and determine and none of the Company and the Subscriber shall have any claim against any other in respect of any matter arising out of or in connection with the Subscription Agreement. Save for any antecedent breaches thereof.

Principal Terms of the Convertible Bonds

The principal terms of the Convertible Bonds are arrived at after arm's length negotiations between the Company and the Subscriber and are summarised as follows:

- | | | |
|---|---|--|
| Principal Amount | : | the principal amount of HK\$69,696,000 |
| Maturity Date | : | 2nd anniversary of the date of issue of the Convertible Bonds (or if that is not a Business Day, the first Business Day thereafter) ("Maturity Date") |
| Interest | : | 3% per annum, payable on an annual basis |
| Conversion Price | : | the Conversion Price is HK\$0.396 per Conversion Share, subject to reset and adjustments mechanisms as set out and in accordance with the terms and conditions of Convertible Bonds. |
| Reset and Adjustments Mechanisms | : | 1. Conversion Price is subject to the reset on the Price Reset Date whereby the Conversion Price will be adjusted to the lower of the: |

- (i) Conversion Price at the Price Reset Date, for which the price reset date means the date falling on 6 months from the date of issue of the Convertible Bonds and thereafter on the last day of each successive half-yearly period up to the Maturity Date; and
- (ii) the average closing price per Share as quoted on the Stock Exchange for the last thirty (30) trading days immediately prior to and including the Price Reset Date, provided that the Conversion Price after such reset shall not be lower than the minimum reset price, HK\$0.2, which is 50.5% of the initial Conversion Price subject to adjustments as set out in subparagraphs (2) to (9) below;

2. Consolidation or sub-division of Shares;
3. Capitalisation of profits;
4. Capital distribution;
5. Issue of Shares by way of rights, options and warrants at a price which is less than 80% of the market price at the date of the announcement of the terms of the offer or grant;
6. Issue of any securities if and whenever the Company shall issue wholly for cash which are convertible into, exchangeable for or carry rights of subscription for Shares at an effective price which is less than 80% of the market price at the date of the announcement of the terms of issue of such securities;
7. Modification of rights of conversion or exchange or subscription attaching to any such securities so that the effective price will be less than 80% of the market price at the date of the announcement of the proposal to modify such rights of conversion or exchange or subscription;
8. Issue of Shares wholly for cash at more than 20% discount to the market price of such Shares; and
9. Issue of Shares for acquisition of asset at more than 20% discount to the market price of such Shares.

Conversion Shares : 1. Based on the initial Conversion Price of HK\$0.396, a maximum number of 176,000,000 Conversion Shares will be allotted and issued upon exercise in full of the conversion rights attaching to Convertible Bonds.

2. The Conversion Shares upon exercise of the conversion rights attaching to Convertible Bonds shall be allotted and issued under the Specific Mandate to be granted to the Directors by the Independent Shareholders at the SGM.

- Conversion Right(s)** : 1. Each holder of Convertible Bonds shall have the right, exercisable during the Conversion Period to convert the whole or any part (in multiples of HK\$5,000,000 unless the amount remaining on exercise of the Convertible Bonds or in consequence any reset and adjustments of the Conversion Price) of the outstanding principal amount of Convertible Bonds held by such Bondholder(s) into such number of Conversion Shares as will be determined by dividing the principal amount of Convertible Bonds to be converted by the Conversion Price in effect on the date of conversion.
2. No fraction of a Share shall be issued on conversion of the Convertible Bonds (unless the amount remaining on exercise of the Convertible Bonds or in consequence any reset and adjustments of the Conversion Price) and no cash adjustments will be made.

- Conversion Restriction(s)** : 1. Any conversion of Convertible Bonds shall be in respect of the whole or any part (in multiples of HK\$5,000,000 unless the amount remaining on exercise of the Convertible Bonds or in consequence any reset and adjustment of the Conversion Price) of the principal amount of Convertible Bonds.
2. Upon exercise of the conversion rights, the Bondholders and their respective associates, together with parties acting in concert (as defined in the Takeovers Code) with them, will not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code; and
 3. Upon exercise of the conversion rights' the public float of the Company will not be unable to meet the relevant requirements under the GEM Listing Rules.

- Conversion Period** : The period commencing from the date of issue of Convertible Bonds and ending on the day which falls on the 2nd anniversary of the date of issue of Convertible Bonds.

- Early Redemption** : Subject to the consent by the Bondholder(s), the Company may, by giving not less than 30 Business Days notice to the Bondholder(s), to redeem all or part of the outstanding Convertible Bonds at an amount equal to 100% of the principal amount of the said outstanding Convertible Bonds at any time from the date of issue of Convertible Bonds together with interest accrued to the date fixed for redemption.

- Redemption on Maturity Date** : The principal amount of the Convertible Bonds which remains outstanding on the Maturity Date shall be redeemed by the Company together with interest accrued thereon.
- Ranking** : Conversion Shares to be allotted and issued upon exercise of the conversion rights attaching to Convertible Bonds shall rank pari passu in all respects among themselves and with all other existing Shares outstanding at the date of conversion and all Conversion Shares shall include rights to participate in all dividends and other distributions.
- Transferability** : Any transfer of Convertible Bonds shall be in respect of the whole or any part (in multiples of HK\$5,000,000 unless the amount remaining on exercise of the Convertible Bonds or in consequence any reset and adjustments of the Conversion Price) of the principal amount of Convertible Bonds.
- Application for Listing** : No application will be made by the Company to the Stock Exchange for listing of Convertible Bonds. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.
- Notice of Conversion by Other Bondholders** : The Company may, upon request by the holders of Convertible Bonds in writing, notify the Bondholder(s) about the conversion of the convertible bonds of the Company by other Bondholders within 7 Business Days from the date of receipt of the relevant conversion notice.

Conversion Price:

The Conversion Price of HK\$0.396 per Conversion Share, representing:

- (1) a discount of approximately 41.76% to the closing price of HK\$0.680 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 39.08% to the average closing price of approximately HK\$0.650 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day; and
- (3) a discount of approximately 39.26% to the average closing price of approximately HK\$0.652 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Day.

The Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market prices of the Shares as shown above. The Directors (other than the independent non-executive Directors who will form an opinion after taken the recommendation from the Independent Financial Advisor) consider the Conversion Price and the terms and conditions of the Subscription Agreement are fair and reasonable based on the current market conditions and in the interests of the Company and Shareholders as a whole.

2. EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 440,818,880 Shares in issue. The shareholding interests of the Company as at (i) the date of this announcement and (ii) immediately upon full exercise of the conversion rights attaching to the Convertible Bonds are as follows:

Substantial Shareholder	(i) as of the date of this announcement		(ii) immediately upon full exercise of the conversion rights attaching to the Convertible Bonds	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Maxx Capital International Limited ⁽¹⁾	278,439,784	63.16%	454,439,784	73.67%
Public Shareholders:				
Other public Shareholders	<u>162,379,096</u>	<u>36.84%</u>	<u>162,379,096</u>	<u>26.33%</u>
Total:	<u>440,818,880</u>	<u>100%</u>	<u>616,818,880</u>	<u>100%</u>

278,439,784 ordinary shares of HK\$0.01 each were held by Maxx Capital International Limited, which was wholly-owned by Pablos International Limited and Pablos International Limited was wholly owned by Ms. LO. Accordingly, Pablos International Limited and Ms. LO were deemed by virtue of the Securities and Futures Ordinance to be interested in 278,439,784 ordinary shares of HK\$0.01 each held by Maxx Capital International Limited. Ms. LO is a director of each of Maxx Capital International Limited and Pablos International Limited.

3. MANDATE TO ISSUE THE CONVERSION SHARES

The Subscription Agreement and the transactions contemplated thereunder, among other things, the allotment and issue of the Conversion Shares under the Specific Mandate, are subject to the approval of the Independent Shareholders at the SGM.

Application will be made by the Company to the Stock Exchange for the grant of listing of and permission to deal in the Conversion Shares.

4. REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Company is listed on the GEM of the Stock Exchange. The principal activities of the Company are development, production and provision of financial information services and technology solutions, media and Investors' relationship business securities and futures business and money lending.

The Board considers that the Subscription represents a good opportunity to raise additional funds as an aggregate of HK\$ 69,696,000 for the Group (i) to invest and develop Internet finance Platform in China; (ii) to invest and develop big data platform;

(iii) to expand our China operation in Beijing and Shenzhen; (iv) to expand marketing force for the promotion of mobile internet platform in the People's Republic of China; and (v) to strengthen our working capital.

The Board considers that the terms and conditions of the Subscription Agreement and the transactions contemplated thereunder fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

5. FUND RAISING ACTIVITY DURING THE PAST 12 MONTHS FROM THE DATE OF THIS ANNOUNCEMENT

The Company did not conduct any other fundraising on issue of equity securities in the last 12 months immediately preceding the date of this announcement.

6. INFORMATION ON THE COMPANY

The principal activities of the Company are development, production and provision of financial information services and technology solutions, media and Investors' relationship business securities and futures business and money lending.

7. INFORMATION ON THE SUBSCRIBER

The Subscriber is an investment holding company incorporated in the British Virgin Islands. The Subscriber is indirectly wholly-owned by Ms. Lo Yuk Yee, a controlling Shareholder of the Company, holding 278,439,784 Shares, representing approximately 63.16% of the total issued share capital of the Company. Further, Ms. Lo Yuk Yee is the chairman and executive Director of the Company. Therefore, the Subscriber, Ms. Lo Yuk Yee and their respective associates shall abstain from voting at the SGM.

8. GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, Ms. Lo Yuk Yee indirectly holds 100% shareholding of the Subscriber and is a controlling Shareholder of the Company, holding 278,439,784 Shares, representing approximately 63.16% of the total issued share capital of the Company. Further, Ms. Lo Yuk Yee is the chairman and an executive Director of the Company. Accordingly, the Subscriber and Ms. Lo Yuk Yee are connected persons of the Company under the GEM Listing Rules. Therefore, the Subscription constitutes a non-exempt connected transaction of the Company subject to reporting, announcement, and the Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules by way of poll at the SGM.

The Subscriber, Ms. Lo Yuk Yee and their respective associates shall abstain from voting at the SGM to be convened to consider and, if thought fit, to approve the Subscription Agreement and the transactions contemplated thereunder and the Specific Mandate.

To the best of the Directors' information, belief and knowledge, save for the Subscriber, Ms. Lo Yuk Yee and their respective associates, no other parties have any material interest which is different from other Shareholders in relation to the Subscription and the grant of the Specific Mandate.

9. GENERAL

An Independent Board Committee will be established to make recommendation to the Independent Shareholders regarding the Subscription and the transactions contemplated thereunder. Independent Financial Adviser will also be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the transactions contemplated thereunder.

The SGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve the Subscription and the transactions contemplated thereunder.

A circular containing, amongst other things, details of the Subscription, the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Subscription, the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription together with notice of the SGM, is expected to be despatched as soon as practicable in accordance to the GEM Listing Rules.

10. TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 27 July 2015 pending the release of this announcement. Application has been made by the Company for resumption of trading in its Shares on the Stock Exchange with effect from 9:00 am on 28 July 2015.

11. WARNING NOTICE

Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	the holder(s) of the Convertible Bonds
“Business Day”	any day (not being a Saturday, a Sunday and a public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Finet Group Limited (Stock Code: 8317), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the GEM of the Stock Exchange.
“Completion”	completion of the Subscription pursuant to the Subscription Agreement

“Completion Date”	any date within the 14 Business Day on which all the conditions precedent to the Subscription Agreement are fulfilled or such other date as the Company and the Subscriber may agree in writing
“Conversion Price”	HK\$0.396 per Conversion Share (subject to reset and adjustments mechanisms)
“Conversion Share(s)”	up to 176,000,000 new Share(s) to be allotted and issued by the Company to the Bondholders upon the exercise of the conversion rights attaching to the Convertible Bonds at the Conversion Price
“Convertible Bonds”	the 3% interest bearing convertible bonds in an aggregate principal amount of HK\$69,696,000 to be issued by the Company under the Specific Mandate to the Subscriber pursuant to the Subscription Agreement
“Director(s)”	the director(s) of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the Subscription and the transactions contemplated under the Subscription Agreement
“Independent Financial Advisor”	an independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Subscription
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined under the GEM Listing Rules)
“Independent Shareholders”	shareholders other than the Subscriber, Ms. Lo Yuk Yee and their associates and other Shareholders who are interested or involved in the Subscription of Convertible Bonds, and are required to abstain from voting on the resolutions at SGM
“Last Trading Day”	24 July 2015, being the last trading day for the Shares immediately before the Subscription Agreement
“Long Stop Date”	30 September 2015, or such later date as the Company and the Subscriber may mutually agree in writing

“Ms. LO”	Ms. Lo Yuk Yee, indirectly holds 100% shareholding of the Subscriber and is a controlling Shareholder of the Company, holding 278,439,784 Shares, representing approximately 63.16% of the total issued share capital of the Company. Further, Ms. Lo Yuk Yee is the chairman and an executive Director of the Company. Accordingly, the Subscriber and Ms. Lo Yuk Yee are connected persons of the Company under the GEM Listing Rules
“Price Reset Date”	means the date falling on 6 months from the date of issue of the Convertible Bonds and thereafter on the last day of each successive half-yearly period up to the Maturity Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder including among other things, the allotment and issue of the Conversion Shares under the Specific Mandate
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares of the Company
“Specific Mandate”	the specific mandate to be granted to the Directors by the Independent Shareholders at the SGM for the allotment and issue of up to a maximum of 176,000,000 Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Convertible Bonds by the Subscriber pursuant to the Subscription Agreement
“Subscriber”	Maxx Capital International Limited, a company incorporated in the British Virgin Islands and a substantial Shareholder of the Company, which is ultimately controlled by Ms. Lo Yuk Yee, the chairman and an executive Director of the Company
“Subscription Agreement”	the conditional subscription agreement dated 25 July 2015 and entered into between the Company and the Subscriber in respect of the Subscription
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission

“HK\$” and “cents” Hong Kong dollars and cents, the lawful currency of Hong Kong

“%” per cent

If there is any inconsistency in this announcement between the Chinese and English versions and the English version shall prevail.

By Order of the Board

Lo Yuk Yee

Chairman and Executive Director

Hong Kong, 27 July 2015

As at the date of this announcement, the executive Directors are Ms. Lo Yuk Yee, Mr. Chow Wing Chau and Mr. Yiu Wing Hei, and the independent non-executive Directors are Mr. Wong Wai Kin, Mr. Siu Siu Ling, Robert and Mr. Leung Chi Hung.

* *For identification purpose only*