

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

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

If you have sold or transferred all your shares in China 33 Media Group Limited (the "Company"), you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Dealings in the Shares and the Offer Shares may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or, under contingent situation, such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time. Capitalized terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this prospectus.



中國三三傳媒集團有限公司
CHINA 33 MEDIA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8087)

**OPEN OFFER OF 5,040,000,000 OFFER SHARES AT
THE SUBSCRIPTION PRICE OF HK\$0.10 EACH
ON THE BASIS OF SEVEN (7) OFFER SHARES
FOR EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE**

Financial adviser to the Company



Underwriters of the Open offer



Terms used in this cover page shall have the same meanings as defined in this Prospectus.

The latest time for acceptance of and payment for the Offer Shares is 4:00 p.m. on Tuesday, 29 September 2015. The procedures for application are set out on pages 24 and 26 of this Prospectus.

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.

Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from on Wednesday, 2 September 2015 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Tuesday, 6 October 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

14 September 2015

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CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions shall have the following meanings:

“33 Services”	33 Service Limited, an indirect wholly-owned subsidiary of the Company
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Announcements”	an announcement of the Company dated 24 July 2015 in relation to, among other things, the Open Offer, change in board lot size and appointment of independent financial adviser and a supplemental announcement of the Company dated 4 August 2015 in relation to, among other things, the Open Offer
“Application Form”	the form of application to be used by the Qualifying Shareholders to apply for the Offer Shares in the form agreed by the Company and the Underwriters
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Beijing Ouguan”	Beijing Ouguan Business Service Limited, which engages in media production
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 14 August 2015 in relation to, among other things, the Open Offer
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amend from time to time)
“Company”	China 33 Media Group Limited, a company incorporated in Cayman Islands with limited liability whose issued Shares are listed on GEM
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules

DEFINITIONS

“Counter Party A”	a filming company with its principal place of business in Los Angeles, California, the United States of America
“Counter Party B”	one of the largest private-owned media production companies in Shanghai, China
“Counter Party C”	an established movie and TV creation company with its principal place of business in Shanghai, China
“Counter Party 1”	a film director with 20 years of global experience in the entertainment industry and the president of PBIL
“Counter Party 2”	a company incorporated in Hong Kong with management experienced in the movie and film production industry
“Director(s)”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company convened and held on Monday, 31 August 2015 for the Independent Shareholders to approve, among other things, the Open Offer, the Underwriting Agreement and the transactions contemplated respectively thereunder
“Excluded Shareholder(s)”	the Overseas Shareholder(s) whose address is/are in a place(s) outside Hong Kong where, the Directors, based on legal opinions provided by legal advisers of the Company, consider it is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to such Overseas Shareholders
“Euro” or “€”	the lawful currency of the Euro Zone
“Fifth LOI”	the fifth letter of intent stipulates that 33 Services is to invest RMB100 million (equivalent to approximately HK\$125 million) to a motion picture project described under the Fifth LOI to be filmed in China and Hong Kong
“First LOI”	the first letter of intent stipulates that the Company is to invest US\$5.0 million (equivalent to approximately HK\$39.0 million) to purchase the rights to receive certain amount of revenue generated from certain motion picture projects owned or controlled by the Counter Party A

DEFINITIONS

“Fourth LOI”	the fourth letter of intent stipulates that 33 Services is to invest RMB70 million (equivalent to approximately HK\$87.5 million) to a motion picture project described under the Fourth LOI to be filmed in China and Hong Kong
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules governing the listing of securities on GEM
“Gransing Securities”	Gransing Securities Co., Limited, being one of the Underwriters, a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities for the purpose of the SFO
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hutong”	Hutong Capital Limited, an independent third party of the Company
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors formed for the purpose of advising the Independent Shareholders in relation to the Open Offer
“Independent Shareholders”	Shareholders not required under the GEM Listing Rules to abstain from voting on the resolution(s) at the EGM
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties not connected with or acting in concert with any directors, chief executive or Substantial Shareholder(s) or its subsidiaries and their respective associates
“JV Agreement”	the agreement dated 1 June 2015 and entered into between 33 Services and Hutong with respect to the formation of the JV Company
“JV Company”	Motion Arts Entertainment Limited, a limited liability company incorporated in Hong Kong in accordance with the terms of the JV Agreement

DEFINITIONS

“Kingston Securities”	Kingston Securities Limited, being one of the Underwriters, a licensed corporation to carry on Type 1 (dealing in securities) regulated activities for the purpose of the SFO
“Last Trading Day”	24 July 2015, being the last trading day for the Shares being the date of the Announcements
“Latest Practicable Date”	10 September 2015, being the latest practicable date for ascertaining certain information for inclusion in this Prospectus
“Latest Time for Acceptance”	the latest time for acceptance for the Offer Shares at 4:00 p.m., on Tuesday, 29 September 2015 or such other time as may be agreed between the Company and the Underwriters
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m., on Tuesday, 6 October 2015, being the fourth Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriters
“Listing Committee”	the Listing Committee of the Stock Exchange
“New JV Agreement”	the agreement dated 6 September 2015 and entered into between 33 Services and PBIL with respect to the formation of the New JV Company
“New JV Company”	a limited liability company incorporated in Hong Kong in accordance with the terms of the New JV Agreement
“Offer Shares”	5,040,000,000 new Shares to be allotted and issued pursuant to the Open Offer
“Offer Shares Undertaking”	the irrevocable undertakings given by the Undertaken Shareholders to the Company not to dispose of 305,622,300 Shares from the date of the offer share undertakings to and including the Record Date and to procure the acceptance of not less than an aggregate of 1,134,799,700 Offer Shares under the Open Offer
“Open Offer”	the proposed issue by way of open offer to the Qualifying Shareholders on the basis of seven (7) Offer Shares for every one (1) existing Share held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents

DEFINITIONS

“Overseas Letter”	a letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) are outside of Hong Kong
“PBIL”	PBIL Productions Ltd, an independent third party of the Company
“PRC” or “China”	the People’s Republic of China, which for the purpose of this prospectus excludes Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
“Prospectus”	this prospectus in the agreed form to be despatched to the Qualifying Shareholders in connection with the Open Offer on the Prospectus Posting Date
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	Monday, 14 September 2015 or such later date as may be agreed between the Underwriters and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders (or the Prospectus only in case of Excluded Shareholder(s))
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	Friday, 11 September 2015, or such other date as may be agreed between the Company and the Underwriters for determining entitlements to the Open Offer
“Registrar”	Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the Hong Kong branch share registrar of the Company
“RHB OSK Securities”	RHB OSK Securities Hong Kong Limited, being one of the Underwriters, a license corporation to carry on Type 1 (dealing with securities) and Type 4 (advising on securities) regulated activities for the purpose of the SFO

DEFINITIONS

“Second LOI”	the second letter of intent stipulates that the Company is to invest US\$7.5 million (equivalent to approximately HK\$58.5 million) to a motion picture project described under the Second LOI to be filmed in the United States of America
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.0010 each in share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.10 per Offer Share
“Substantial Shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	The Codes of Takeovers and Mergers and Share Buy-backs
“Third LOI”	the third letter of intent stipulates that the Company is to invest US\$7.5 million (equivalent to approximately HK\$58.5 million) to a motion picture project described under the Third LOI to be filmed in the United States of America and Morocco
“Undertaken Shareholders”	Lizhong Limited and New Express Investment Limited who have irrevocably undertaken to the Company that they will not dispose of an aggregate of 305,622,300 Shares and they will procure the acceptance of not less than 1,134,799,700 Offer Shares pursuant to the Offer Share Undertakings
“Underwriters”	Gransing Securities, Kingston Securities and RHB OSK Securities
“Underwriting Agreement”	the underwriting agreement dated 24 July 2015 and the supplemental underwriting agreement dated 4 August 2015 entered into among the Company and the Underwriters in relation to the underwriting arrangement in respect of the Open Offer
“Underwritten Shares”	3,905,200,300 Offer Shares (excluding the aggregate of 1,134,799,700 Shares undertaken by the Undertaken Shareholders)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent.

Unless otherwise specified in this prospectus, for illustration purpose only, amounts quoted in RMB has been converted into HK\$ at the rate of HK\$1.00 to RMB0.78887 and amounts quoted in US\$ has been converted into HK\$ at the rate of US\$1.00 to HK\$7.78. Such exchange rate has been used, where applicable, for purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

EXPECTED TIMETABLE

The expected timetable for the Open Offer and the change in board lot size set out below is for indicative purpose only:

Event	(Hong Kong time)
Latest Time for Acceptance of, and payment of Offer Shares.....	4:00 p.m. on Tuesday, 29 September 2015
Latest time for Open Offer to become unconditional.....	4:00 p.m. on Tuesday, 6 October 2015
Announcement of results of acceptance of the Offer Shares	Wednesday, 7 October 2015
Despatch of share certificates for Offer Shares or refund of cheques if terminated	Thursday, 8 October 2015
Dealing in Offer Shares commence.....	9:00 a.m. on Friday, 9 October 2015
Effective date of the new board lot size of 20,000 Shares.....	9:00 a.m. on Friday, 9 October 2015
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Friday, 9 October 2015
Designated broker ceases to stand in the market to Provide matching services for odd lots of Shares.....	4:00 p.m. on Monday, 2 November 2015

All times and dates in this prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

EFFECT ON BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place if there is

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning
 - a. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or

EXPECTED TIMETABLE

- b. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Tuesday, 29 September 2015, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriters, may, terminate the Underwriting Agreement by giving written notice to the Company prior to the Latest Time for Termination (if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains in force in Hong Kong between 9.00 a.m. and 4.00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above and no black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day), if at any time prior to the Latest Time for Termination:

1. in the absolute opinion of any one of the Underwriters, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of any one of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group taken as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of any one of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group taken as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
2. any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of any one of the Underwriters is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
3. any change in the circumstances of the Company or any member of the Group occurs which in the absolute opinion of any one of the Underwriters will adversely affect the prospects of the Company, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or

TERMINATION OF THE UNDERWRITING AGREEMENT

4. any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
5. any other material adverse change in relation to the business or the financial or trading position or prospects of the Group taken as a whole occurs, whether or not ejusdem generis with any of the foregoing; or
6. any matter occurs which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of any one of the Underwriters, a material omission in the context of the Open Offer; or
7. any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 10 consecutive business days occurs, excluding any halt or suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
8. any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange occurs due to exceptional financial circumstances or otherwise.

Any of the Underwriters shall be entitled by notice in writing to the Company and the other Underwriters, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriters shall be entitled by notice in writing to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

1. any material breach of any of the warranties, representations and undertakings of the Company contained under the Underwriting Agreement comes to the knowledge of any one of the Underwriters; or
2. any specified event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties, representations and undertakings of the Company contained under the Underwriting Agreement being untrue or incorrect in any material respect comes to the knowledge of any one of the Underwriters.

Any such notice shall be served by such Underwriters prior to the Latest Time for Termination.

TERMINATION OF THE UNDERWRITING AGREEMENT

In the event that the Underwriters terminate the Underwriting Agreement in accordance with above conditions, all obligations of each of the Parties under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Underwriting Agreement except for:

- 1. any antecedent breach of any obligation under the Underwriting Agreement;
and**
- 2. any rights or obligations under any provisions of the Underwriting Agreement.**

If the Underwriting Agreement is terminated by the Underwriters at such time before the Latest Time for Termination but after the Underwriters have paid or procured payment to the Company of the aggregate Subscription Price for which the Underwriters are obliged to subscribe or procure subscription under the Underwriting Agreement, the Company shall, not later than the end of the second Business Day after (but not including) the date of receipt of the notice of termination issued by the Underwriters pursuant to above conditions, remit to the Underwriters such amount of aggregate Subscription Price which it has received from the Underwriters.

Rescission and termination of the Underwriting Agreement under the above conditions shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

LETTER FROM THE BOARD



中國三三傳媒集團有限公司
CHINA 33 MEDIA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8087)

Executive Directors:

Mr. Ruan Deqing (*Chairman*)
Mr. Peng Lichun
Mr. Ma Pun Fai

Non-executive Director:

Mr. Wang Fuqing

Independent Non-executive Directors:

Ms. Tay Sheve Li
Ms. Yu Shun Yan Verda

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal place of business
in Hong Kong:*

Suite 2001, Tower 1
China Hong Kong City
33 Canton Road
Tsimshatsui
Kowloon
Hong Kong

14 September 2015

To the Shareholders

Dear Sir or Madam,

**OPEN OFFER OF 5,040,000,000 OFFER SHARES AT
THE SUBSCRIPTION PRICE OF HK\$0.10 EACH
ON THE BASIS OF SEVEN (7) OFFER SHARES
FOR EVERY ONE (1) EXISTING SHARE HELD
ON THE RECORD DATE**

INTRODUCTION

On 24 July 2015, the Board announced that the Company proposed to raise approximately HK\$504 million before expenses by issuing 5,040,000,000 Offer Shares at the Subscription Price of HK\$0.10 per Offer Share on the basis of seven (7) Offer Shares for every one (1) existing Share held on the Record Date and payable in full on application. The Open Offer was approved by the Independent Shareholders at the EGM.

The purpose of this Prospectus is to provide you with, among other things, further details of (i) the Open Offer including the procedures for application and payment for the Offer Shares; (ii) the financial information of the Group; and (iii) the general information of the Group.

LETTER FROM THE BOARD

THE OPEN OFFER

Issue statistics

Basis of the Open Offer	:	Seven (7) Offer Shares for every one (1) existing Share held on the Record Date
Subscription Price	:	HK\$0.10 per Offer Share
Number of Shares in issue as at the Latest Practicable Date	:	720,000,000 Shares
Number of Offer Shares	:	5,040,000,000 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date)
Number of Offer Shares to be taken up or procure to be taken up by the Undertaken Shareholders pursuant to the Offer Shares Undertakings	:	The Undertaken Shareholders have irrevocably undertaken to the Company to procure the acceptance of not less than 1,134,799,700 Offer Shares to be allotted to it under their entitlement pursuant to the Open Offer
Number of Offer Shares underwritten by the Underwriters	:	3,905,200,300 Offer Shares, Taking into account the Offer Shares Undertakings, the Open Offer is fully underwritten
Number of enlarged Shares in issue upon completion of the Open Offer	:	5,760,000,000 Shares

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

The Offer Shares

Assuming no new Shares and no Shares being repurchase by the Company on or before the Record Date, the 5,040,000,000 Offer Shares proposed to be allotted and issued represents approximately 700% of the Company's issued share capital as at the Latest Practicable Date and approximately 87.50% of the Company's issued share capital of 5,760,000,000 Shares as enlarged by the allotment and issue of 5,040,000,000 Offer Shares immediately after completion of the Open Offer.

The aggregate nominal value of the Offer Shares will be US\$5,040,000 (equivalent to approximately HK\$39,000,000).

LETTER FROM THE BOARD

Basis of entitlement

The basis of the entitlement shall be seven (7) Offer Shares for every one (1) existing Share held on the Record Date, being 5,040,000,000 Offer Shares. Acceptance for all or any part entitlement of a Qualifying Shareholder should be made by completing the Application Form and lodging the same with a remittance for the offer Shares being accepted for.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders.

To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date (a) be registered on the register of members of the Company; and (b) not being the Excluded Shareholders.

Shareholders whose Share are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, 4 September 2015.

Subscription Price

The Subscription Price is HK\$0.10 per Offer Share, which will be payable in full upon application.

The Subscription Price represents:

- (a) a discount of approximately 75.61% to the closing price of HK\$0.41 per Share as quoted on the Stock Exchange on the date of the Underwriting Agreement and on the Last Trading Day;
- (b) a discount of approximately 28.57% to the theoretical ex-entitlement price of HK\$0.14 based on the closing price of HK\$0.41 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 75.0% to the average closing price of approximately HK\$0.40 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Day;

LETTER FROM THE BOARD

- (d) a discount of approximately 62.66% to the audited consolidated net asset value per Share of approximately RMB0.2113 (equivalent to approximately HK\$0.2678) (based on the latest published audited net asset value of the Group of RMB152,112,000 as at 30 June 2015 and 720,000,000 Shares in issue as at the Latest Practicable Date); and
- (e) a discount of approximately 31.03% on the closing price of HK\$0.145 per Share on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriters with reference to, among others, (i) the prevailing market price of the Shares prior to the Last Trading Day and the theoretical ex-entitlement price; (ii) the net loss of the Group for the three consecutive financial years since 2012. The Directors consider that each Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date and the terms of the Open Offer, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. After deducting all relevant expenses relating to the Open Offer, the net price per Offer Share will be approximately HK\$0.1.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

According to the register of members of the Company as at the Last Practicable Date, there were no Overseas Shareholders with registered addresses located outside of Hong Kong.

No person receiving a copy of the Prospectus and/or the Application Form in any territory or jurisdiction outside of Hong Kong may treat it as an offer or an invitation to apply for the Offer Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. It is the responsibility of any person outside Hong Kong (including the ultimate beneficial owner(s) of the Qualifying Shareholders) wishing to make an application for the Offer Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of all relevant jurisdiction, including obtaining any government or other consents, and payment of any taxes and duties required to be paid in such jurisdiction in connection therewith. Completion and return of the Application Form will constitute a warranty and representation by the relevant applicant(s) to the Company that all registration, legal and regulatory requirements of all relevant territories other than Hong Kong in connection with the acceptance of the Offer Shares have been duly complied with by such applicant(s). For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. If you are in any doubt as to your position, you should consult your professional advisers.

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Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.

Ranking of the Offer Shares

The Offer Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

Share certificates for the Offer Shares and refund cheques

Subject to the fulfillment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Thursday, 8 October 2015. If the Open Offer is terminated, refund cheques will be despatched on or before Thursday, 8 October 2015 by ordinary post at the respective Shareholders' own risk.

No application for excess Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriters.

Fractions of the Offer Shares

On the basis of seven (7) Offer Shares for every one (1) existing Share held on the Record Date, no fractional entitlements to the Offer Shares will arise under the Open Offer. Underwriters will arise under the Open Offer.

Application for the Offer Shares

The Application Form in respect of the entitlement of the Offer Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Offer Shares as shown therein by completing such form and lodging the same with a remittance for the Offer Shares being taken up with the Registrar by the Latest Time for Acceptance.

Application for listing

The Company will apply to the GEM Listing Committee for the listing of and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

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Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

The Offer Shares will be traded in board lots of 20,000 Shares.

Change in board lot size

The Board announces that the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Friday, 9 October 2015.

The change in board lot size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

Based on the closing price of approximately HK\$0.145 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of each existing board lot is HK\$290 and the estimated market value of each proposed new board lot is HK\$2,900. The change in board lot size will increase the value of each board lot of Shares and reduce the overall transaction and handling costs for dealings in the Shares. Accordingly, the Board considers that the change in board lot size is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Odd lot arrangement

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, the Company has appointed Gransing Securities as an agent to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Friday, 9 October 2015 to 4:00 p.m. on Monday, 2 November 2015 (both dates inclusive). Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through Gransing Securities at 805-806 Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong (telephone: (852) 2544 0397 and facsimile: (852) 2544 8439) during such period. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

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UNDERWRITING AGREEMENT

- Date : 24 July 2015 (after trading hours), as supplemented by the supplemental underwriting agreement dated 4 August 2015
- Underwriters : Gransing Securities, Kingston Securities and RHB OSK Securities
- Number of Offer Shares to be underwritten : Taking into account the Offer Shares Undertakings, the Open Offer is fully underwritten. The total number of Offer Shares, being 3,905,200,300 Offer Shares, will be underwritten severally by the Underwriters in the following manner:
- (i) Gransing Securities shall underwrite not more than 1,905,200,300 Underwritten Shares;
 - (ii) Kingston Securities shall underwrite not more than 1,500,000,000 Underwritten Shares; and
 - (iii) RHB OSK Securities shall underwrite not more than 500,000,000 Underwritten Shares.

Such allocation of underwriting commitment between the Underwriters can be modified by mutual agreement between the Underwriters, provided that (i) other obligations of the Underwriters and all other terms and conditions of the Underwriting Agreement shall remain unchanged; and (ii) both the Underwriters shall notify the Company in writing such modification of underwriting commitment forthwith.

Under the Underwriting Agreement, the Open Offer is fully underwritten by the Underwriters and the Underwriters shall procure that any subscribers procured by them shall be Independent Third Parties and shall not become Substantial Shareholders holding 10% or more shareholding in the Company immediately after completion of the Open Offer. Each Underwriter has further undertaken to the Company that it will not trigger a mandatory offer obligation under Rule 26 of Takeovers Code on the part of the Underwriter in respect of performing its obligations under the Underwriting Agreement.

As at the Latest Practicable Date, Gransing Securities had entered into four sub-underwriting agreements with four sub-underwriters for an aggregate sub-underwriting commitment of 1,340,000,000 Offer Shares. One of the sub-underwriters, namely SBI China Capital Financial Services Limited, which principal activities are investment banking and stock brokerage, has sub-underwriting commitment of 800,000,000 Offer Shares, representing approximately 13.89% of the total issued Shares immediately after completion the Open Offer. The remaining three sub-underwriters have sub-underwriting commitment of an aggregate of 540,000,000 Offer Shares, representing approximately 9.37% of the total issued Shares

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immediately after completion of the Open Offer. Each of the remaining three sub-underwriters' commitment portion represents less than 5% of the total issued Shares immediately after completion of the Open Offer.

As at the Latest Practicable Date, RHB OSK Securities had entered into two sub-underwriting agreements with two sub-underwriters for an aggregate sub-underwriting commitment of 500,000,000 Offer Shares, representing approximately 8.68% of the total issued Shares immediately after completion the Open Offer. Each of the sub-underwriters' commitment portion represents less than 5% of the total issued Shares immediately after completion of the Open Offer.

Kingston Securities had terminated four sub-underwriting agreements with four sub-underwriters for an aggregate sub-underwriting commitment of 1,500,000,000 Offer Shares. One of the sub-underwriters, namely Harvest Aspect International Limited, which principal activities are investment holding, had sub-underwriting commitment of 644,640,000 Offer Shares, representing approximately 11.19% of the total issued Shares immediately after completion the Open Offer. The remaining three sub-underwriters had sub-underwriting commitment of an aggregate of 855,360,000 Offer Shares, representing approximately 14.85% of the total issued Shares immediately after completion of the Open Offer. As at the Latest Practicable Date, Kingston Securities entered into a sub-underwriting agreement with Black Marble Securities Limited for a sub-underwriting commitment of 1,500,000,000 Offer Shares, representing approximately 26.04% of the total issued Shares immediately after completion of the Open Offer.

Pursuant to the sub-underwriting agreements entered into between the Underwriters and the sub-underwriters, each of the sub-underwriters had unconditionally and irrevocable warranty and undertake that none of the persons to be procured by them to subscribe for the Underwritten Shares will become a substantial shareholder of the Company holding 10% or more shareholding in the Company as a result of the subscription of the Underwritten Shares.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Underwriters, the sub-underwriters and their respective ultimate beneficial owners are Independent Third Parties. As at the date of the Underwriting Agreement, the Underwriters are not interested in any Shares.

Underwriting commission

The Company will pay the Underwriters an underwriting commission of 1.5% of the aggregate Subscription Price in respect of the maximum number of the Underwritten Shares agreed to be underwritten by the Underwriters as determined on the Record Date. The commission rate was determined after arm's length negotiation between the Company and the Underwriters by reference to the market rate, the size of the Open Offer and the current and expected market condition. The Directors (including the independent non-executive Directors) are of the view that the terms of the Underwriting Agreement, including the commission, accord with the market practice, and are fair and reasonable so far as the Company and the Shareholders are concerned.

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Irrevocable undertakings given by the Undertaken Shareholders

Offer Shares Undertakings

As at the date of the Underwriting Agreement, the Undertaken Shareholders are interested in an aggregate of 305,622,300 Shares, representing approximately 42.45% of the total issued share capital of the Company. The Undertaken Shareholders have irrevocably undertaken to the Company:

- (a) not to dispose any of the Shares owned by them from the date of the Offer Shares Undertakings up to the Record Date; and
- (b) to procure the acceptance of not less than 1,134,799,700 Offer Shares to be allotted and issued under their entitlement pursuant to the Open Offer.

Termination of the Underwriting Agreement

The Underwriters, may, terminate the Underwriting Agreement by giving written notice to the Company prior to the Latest Time for Termination (if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains in force in Hong Kong between 9.00 a.m. and 4.00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above and no black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day), if at any time prior to the Latest Time for Termination:

1. in the absolute opinion of any one of the Underwriters, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of any one of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group taken as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of any one of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group taken as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or

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2. any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of any one of the Underwriters is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
3. any change in the circumstances of the Company or any member of the Group occurs which in the absolute opinion of any one of the Underwriters will adversely affect the prospects of the Company, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
4. any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
5. any other material adverse change in relation to the business or the financial or trading position or prospects of the Group taken as a whole occurs, whether or not ejusdem generis with any of the foregoing; or
6. any matter occurs which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of any one of the Underwriters, a material omission in the context of the Open Offer; or
7. any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 10 consecutive business days occurs, excluding any halt or suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
8. any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange occurs due to exceptional financial circumstances or otherwise.

Any of the Underwriters shall be entitled by notice in writing to the Company and the other Underwriters, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriters shall be entitled by notice in writing to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

1. any material breach of any of the warranties, representations and undertakings of the Company contained under the Underwriting Agreement comes to the knowledge of any one of the Underwriters; or

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2. any specified event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties, representations and undertakings of the Company contained under the Underwriting Agreement being untrue or incorrect in any material respect comes to the knowledge of any one of the Underwriters.

Any such notice shall be served by such Underwriters prior to the Latest Time for Termination.

In the event that the Underwriters terminate the Underwriting Agreement in accordance with above conditions, all obligations of each of the Parties under the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Underwriting Agreement except for:

1. any antecedent breach of any obligation under the Underwriting Agreement; and
2. any rights or obligations under any provisions of the Underwriting Agreement.

If the Underwriting Agreement is terminated by the Underwriters at such time before the Latest Time for Termination but after the Underwriters have paid or procured payment to the Company of the aggregate Subscription Price for which the Underwriters are obliged to subscribe or procure subscription under the Underwriting Agreement, the Company shall, not later than the end of the second Business Day after (but not including) the date of receipt of the notice of termination issued by the Underwriters pursuant to above conditions, remit to the Underwriters such amount of aggregate Subscription Price which it has received from the Underwriters.

Rescission and termination of the Underwriting Agreement under the above conditions shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

Conditions of the Open Offer

The Open Offer is conditional upon:

- (a) the passing of an ordinary resolution by the Independent Shareholders at the EGM for approving the Open Offer;
- (b) the delivery to the Stock Exchange for authorisation and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the GEM Listing Rules and the Companies (WUMP) Ordinance;

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- (c) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus stamped “For Information Only” to the Excluded Shareholders, if any, for information purpose only on or before the Prospectus Posting Date;
- (d) the listing committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Offer Shares, either unconditionally or subject to such conditions which the Underwriters in their opinion accept and satisfy (if any);
- (e) compliance with and performance of all undertakings and obligations of the Company hereunder;
- (f) the Underwriting Agreement not being terminated by the Underwriters in accordance with the terms of the Underwriting Agreement prior to the Latest Time for Termination;
- (g) none of the warranties, representations and undertakings of the Company contained under the Underwriting Agreement being breached, untrue, inaccurate or misleading in any material respect; and
- (h) (if necessary) compliance with any other requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

The Company shall use all reasonable endeavors to procure the fulfilment of the abovementioned conditions (except for condition (f) above) and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the terms of the Underwriting Agreement.

If the conditions are not satisfied on or before the Latest Time for Termination, the Underwriting Agreement shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise save for any rights or obligations under any provisions of the Underwriting Agreement prior to such termination.

Up to the Latest Practicable Date, condition (a) of the above have been fulfilled.

PROCEDURES FOR APPLICATION

The Application Form is enclosed with this Prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Offer Shares as shown therein subject to payment in full by the Latest Time for Acceptance. Qualifying Shareholders should note that they may subscribe for any number of Offer Shares only up to the number set out in the Application Form.

If Qualifying Shareholders wish to exercise their rights to subscribe for all the Offer Shares offered to them as specified in the Application Form or to exercise their rights to subscribe for any number less than their entitlements under the Open Offer, they must complete, sign and lodge the Application Form in accordance with the instructions printed

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thereon, together with remittance for the full amount payable in respect of such number of Offer Shares they have subscribed for with the Registrar, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Tuesday, 29 September 2015. All remittance(s) must be made in Hong Kong dollars and cheques must be drawn on an account with, or bankers' cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "China 33 Media Group Limited — Open Offer Account" and crossed "Account Payee Only".

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, have been lodged with the Registrar, by no later than 4:00 p.m. on Tuesday, 29 September 2015, the relevant assured allotment of Offer Shares and all rights and entitlements in relation thereto shall be deemed to have been declined and will be cancelled.

The Application Form contains full information regarding the procedures to be followed if you wish to accept the whole or part of your assured entitlement.

All cheques or cashier's orders accompanying completed Application Form will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an Application Form with a cheque and/or cashier's order, will constitute a warranty by the applicant that the cheque and/or cashier's order will be honoured on first presentation. Any application in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Open Offer are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms before the Latest Time for Termination, the monies received in respect of acceptance of Offer Shares will be refunded, without interests, by sending a cheque made out to the applicant (or in the case of joint applicants, to the first named applicant) and crossed "Account Payee Only", through ordinary post at the risk of the applicant(s) to the address specified in the register of members of the Company on Thursday, 8 October 2015.

No action has been taken to permit the offering of the Offer Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving this Prospectus or the Application Form in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Offer Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone receiving the Prospectus Documents outside Hong Kong wishing to make an application for the Offer Shares to satisfy himself/herself/itself before subscribing for the assured allotted Offer Shares, as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith. The Company reserves the right to

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refuse to accept any application for the Offer Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Offer Shares will be accepted from any person who is an Excluded Shareholder.

The Application Form is for use only by the person(s) name therein and is not transferable.

No receipt will be issued in respect of any application monies received.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company before and after the completion of the Open Offer:

	As at the Latest Practicable Date		Upon completion of the Open Offer (assuming all Offer Shares are subscribed for by the Qualifying Shareholders)		Upon completion of the Open Offer (assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders other than Undertaken Shareholders under the Offer Shares Undertakings)	
	No. of Shares	Approximate	No. of Shares	Approximate	No. of Shares	Approximate
		%		%		%
Substantial Shareholders						
Lizhong Limited	192,000,300	26.67%	1,536,002,400	26.67%	1,036,800,000	18.00%
New Express Investment Limited	<u>113,622,000</u>	<u>15.78%</u>	<u>908,976,000</u>	<u>15.78%</u>	<u>403,622,000</u>	<u>7.01%</u>
Sub-total	<u>305,622,300</u>	<u>42.45%</u>	<u>2,444,978,400</u>	<u>42.45%</u>	<u>1,400,422,000</u>	<u>25.01%</u>
Public						
Gransing Securities and subscribers procured by Gransing Securities	—	—	—	—	1,905,200,300	33.07%
Kingston Securities and the subscribers procured by Kingston Securities	—	—	—	—	1,500,000,000	26.04%
RHB OSK Securities and the subscribers procured by RHB OSK Securities	—	—	—	—	500,000,000	8.68%
Existing public Shareholders	<u>414,377,700</u>	<u>57.55%</u>	<u>3,315,021,600</u>	<u>57.55%</u>	<u>414,377,700</u>	<u>7.20%</u>
Total	<u><u>720,000,000</u></u>	<u><u>100.00%</u></u>	<u><u>5,760,000,000</u></u>	<u><u>100.00%</u></u>	<u><u>5,760,000,000</u></u>	<u><u>100.00%</u></u>

Note:

- Pursuant to the Offer Shares Undertakings, the Undertaken Shareholders have irrevocably undertaken to the Company (i) not to dispose of any of the Shares beneficially owned by them from the date of the Offer Shares Undertakings up to and including the Record Date; (ii) to procure the acceptance of not less than an aggregate of 1,134,799,700 Offer Shares to be allotted and issued to Undertaken Shareholders under its entitlement pursuant to the Open Offer.

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As at the Latest Practicable Date, the existing public shareholders hold as to 57.55% of the entire issued share capital of the Company. Upon completion of the Open Offer (assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders other than Undertaken Shareholders under the Offer Shares Undertakings), the existing public shareholders hold as to 7.20% of the entire enlarged issued share capital of the Company. Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Open Offer is approximately 87.49%.

As at the Latest Practicable Date, the Company has not entered or proposed to enter into any agreement, arrangement, understanding or undertaking, whether formal or informal and whether express or implied, and negotiation (whether concluded or not) with an intention to dispose of the existing business of the Group.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Company is an investment holding company, and the principal activities of its subsidiaries are principally engaged in the operation and provision of advertising services of printed media for railway networks, and outdoor advertising spaces on air traffic control towers at airports, trains and railway stations in the PRC.

The Board has been actively exploring business opportunities in order to diversify the Group's existing businesses and expand into new business. The Group has explored a new business segment of investment in international movie industry. In addition, the Board plans to continue to strengthen the Group's presence in the operation and provision of advertising services. The Board considers these businesses and investments are capital intensive and are seeking to meet the capital requirements by conducting the Open Offer. In addition, the Company intends to (i) provide sufficient surplus capital to support the development of existing and future businesses of the Group; (ii) provide funding for any potential investment or growth opportunities; and (iii) strengthen its working capital.

Reference to the announcement dated 6 September 2015 in relation to (i) the termination of the JV Agreement, (ii) lapse of First LOI, Second LOI, Third LOI, Fourth LOI and Fifth LOI (collectively, the "LOIs") with Counter Party A, Counter Party B and Counter Party C, (iii) formation of New JV Company and (iv) enter of new letters of intent in respect of investments in motion picture products, the Company has been informed by Hutong that, in view of the existing adverse market conditions, the formation of the JV Agreement will not proceed. The Board considers that the termination of the JV Agreement does not have any material adverse impact on the existing operations of the Group. Further, the LOIs have lapsed and the Company has decided not to proceed with the investments in motion pictures under the LOIs.

The Board also announced that on 6 September 2015, 33 Services, an indirect wholly-owned subsidiary of the Company, entered into the New JV Agreement with PBIL, an independent third party of the Company, in relation to the formation of New JV Company in Hong Kong and entered into six separate letters of intent with Counter Party 1, and four separate letters of intents with Counter Party 2 in respect of investments in several motion

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picture projects (collectively, the “**New LOIs**”), with a total estimated investment amount of approximately HK\$293.0 million. The Board considers that the entering of the New JV Agreement and New LOIs do not have any material adverse impact on the existing operations of the Group.

The Directors confirm the change of information in relation to the use of proceeds in this Prospectus is not a material change as compare to the information contained in the Circular as the proceeds will continue to be used for investments in the movie industry.

The gross proceeds from the Open Offer will be HK\$504 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be HK\$497 million which are intended to be applied in the following manner:

- (a) approximately HK\$293 million, representing 59% of the net proceeds from the Open Offer for the investments in movie industry through the New JV Company;
- (b) approximately HK\$154 million, representing approximately 31% of the net proceeds from the Open Offer for investment opportunities in the movie industry when opportunities arise. As at the Latest Practicable Date, Save for the above mentioned investments in movie industry through the New JV Company, the Company has not identified any investment opportunities in the movie industry; and
- (c) remaining balance of approximately HK\$50 million, representing 10.0% of the net proceeds from the Open Offer for the general working capital for the existing businesses of the Group.

The Directors are of the view that, as at the date of the Announcement and up to the Latest Practicable Date, the proceeds from the Open Offer can satisfy the Company’s expected funding needs for the next 12 months. Save for the Open Offer, the Company does not have any immediate plan and is not contemplating to conduct further fund raising exercise for funding its existing operations or the proposed new business activities as described above in the next 12 months since the date of the Prospectus.

Investments in movie industry through the New JV Company

Formation of New JV Company

The Group has continued to explore opportunities to diversify the businesses of the Group in order to enhance the income stream and continue to improve Shareholders’ return. As disclosed in the announcement of the Company dated 6 September 2015, 33 Services has subscribed for 80% of the issued share capital of the New JV Company for a consideration of HK\$2.0 million and PBIL has been entitled to 20% of the issued share capital of the New JV Company and shall contribute its expertise and investment management expertise to the New JV Company. 33 Services and PBIL have a profit sharing of 80% and 20% respectively. Pursuant to the New JV Agreement, the board of directors of the New JV Company shall comprise of three directors, two of whom shall be nominated by 33 Services and one by PBIL, whereas the director nominated by 33 Services shall preside as chairman of the meetings of the

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board of directors of the New JV Company. After the formation of the New JV Company, it will become an indirect non wholly-owned subsidiary of the Company. As advised by the Directors, the New JV Company will be duly established by 31 October 2015.

The formation of the New JV Company will allow the Group to expand its current media production business and align with the Company's strategy to further expand into the movie business. The New JV Company will be consolidated into the financial statements of the Group. Save as the formation of the New JV Company disclosed above, there are no other relationship between PBIL and the Company.

Letters of intent

As disclosed in the announcement of the Company dated 6 September 2015, the Group entered into six separate letters of intent with Counter Party 1, and four separate letters of intents with Counter Party 2 in respect of investments in several motion picture projects, with a total estimated investment amount of approximately HK\$293.0 million. The New LOIs are subject to the parties entering into a formal agreement and the relevant terms and conditions have not yet finalised and therefore may or may not materialise. The New LOIs shall lapse if no formal agreement is entered into within the next 120 business days from the date of the New LOIs.

Counter Party 1 is the president of PBIL. He is a film director with 20 years of experience in the entertainment industry in North America, Europe and Asia Pacific regions. Throughout his career, Counter Party 1 is known for his savvy business sense within the marketing and entertainment industry. His previous experience from various 4As and regional agencies successfully fulfilled clients with his professional expertise that provided constructive recommendations for great benefits.

Counter Party 2 was incorporated in Hong Kong in 2013. It is principally engaged in the provision of one-stop artist training and management services by its experienced management team. Its founder and Chief Executive Officer has acted as a movie and advertisement producer for more than 10 years. He participated in various film festivals with film productions that he made, such as Cannes, Seoul and Moscow. In 2010, he produced the first 3D product in Hong Kong, namely "3D French Honeymoon Trip", which had a great response from the market and achieved excellent sales results. Subsequently he hosted the largest fashion show "Fashion Fest For Girls" in Hong Kong, and successfully became the first independent agency in Hong Kong to hold an NBA exhibition game.

LETTER FROM THE BOARD

The Company is now in further discussion and negotiation with the counter parties and targets to formulate a formal agreement. To the best knowledge of the Directors, the table below sets out the details of the investments in movies as at the Latest Practicable Date:

Details of the movies						Estimated total investment amount <i>(Note)</i> <i>HK\$</i>
LOI	Type of movies	Script	Casting	Location	Film shooting	
LOIs signed with Counter Party 1						
New LOI A	Comedy	Finalised	In progress	Hong Kong/ China	Expected to be started no later than 4th quarter of 2015	HK\$18.0 million by 4th quarter of 2015 as movie investment
New LOI B	Drama	Finalised	In progress	Hong Kong/ China	Expected to be started no later than 4th quarter of 2015	HK\$16.0 million by 4th quarter of 2015 as movie investment
New LOI C	Drama	Finalised	In progress	Hong Kong/ China	Expected to be started no later than 4th quarter of 2015	HK\$28.0 million by 4th quarter of 2015 as movie investment
New LOI D	Comedy	Finalised	In progress	Hong Kong/ China	Expected to be started no later than 4th quarter of 2015	HK\$45.0 million by 4th quarter of 2015 as movie investment
New LOI E	Drama	Writing in progress	In progress	Africa	Expected to be started no later than 2nd quarter of 2016	HK\$80.0 million million by 4th quarter of 2015 as movie investment
New LOI F	Comedy	Writing in progress	In progress	Hong Kong/ China	Expected to be started no later than 4th quarter of 2016	HK\$25.0 million by 4th quarter of 2015 as movie investment
						<u>HK\$212.0 million</u>

LETTER FROM THE BOARD

Details of the movies						Estimated total investment amount <i>(Note)</i> HK\$
LOI	Type of movies	Script	Casting	Location	Film shooting	
LOIs signed with Counter Party 2						
New LOI G	Drama	Finalising	In progress	Hong Kong	Expected to be started no later than 4th quarter of 2015	HK\$16.0 million by 4th quarter of 2015 as movie investment
New LOI H	Drama	Finalising	In progress	Hong Kong/ China	Expected to be started no later than 4th quarter of 2015	HK\$17.0 million by 4th quarter of 2015 as movie investment
New LOI I	Drama	Finalising	In progress	Hong Kong/ China	Expected to be started no later than 4th quarter of 2015	HK\$18.0 million by 4th quarter of 2015 as movie investment
New LOI J	Drama/action	Finalising	In progress	Hong Kong/ China	Expected to be started no later than 4th quarter of 2015	HK\$30.0 million by 4th quarter of 2015 as movie investment
						<u>HK\$81.0 million</u>
Total						<u><u>HK\$293.0 million</u></u>

Notes:

1. As advised by the Directors, it is required to commit the investment of the movies at the pre-production stage in order to better plan and control the whole budget of the movies.
2. All movies are at pre-production stage as at the Latest Practicable Date.

Based on the signed letters of intent above, the Company would require imminent funding of approximately HK\$293.0 million in 4th quarter of 2015. PBIL would contribute its expertise and knowledge for the day-to-day operation and management of international movies and source other opportunities for the investments in international movies.

LETTER FROM THE BOARD

Formal agreements

The Directors advised that, as the New JV Company is our platform to develop the movie business, the formal agreements in relation to the signed New LOIs above will be entered into between the New JV Company and the counter parties once the New JV Company established which is by 31 October 2015. The Directors are of the view that the formal agreements can be finalised and those movies described above can be started to produce no later than the 4th quarter of 2015.

The Directors are of the view that given the (i) loss making position of the Company for the year ended 31 December 2014 as disclosed in the annual report for the year ended 31 December 2014; (ii) the unaudited loss making position of the Company for the six months ended 30 June 2015 as disclosed in the interim report for the six months ended 30 June 2015; (iii) lack of in-depth experience of the Directors in the movie industry compared to the counter parties under the ten letters of intent; and (iv) insufficient cash and cash equivalents of the Company after considering the Company's expected funding needs for the next 12 months, the counter parties under the ten letters of intent are not willing to enter into a formal agreement with the Company. The Directors believe that the proceeds from the Open Offer can provide sufficient surplus capital to support the development of the movie business, which can ease the concern of those counter parties.

The experience in the movie industry

As disclosed in the annual report for the year ended 31 December 2014, the Group entered into the cooperation agreement with Beijing Ouguan for the joint investment, production, marketing and distribution of a movie in September 2013. Through such investment arrangement in the movie industry, the Group has been expanding its business platform to position itself available to a wider scope of potential clients, since the Group has recognised the rapid development of the movie industry. The Group believes that the movie together with its ancillary products and marketing activities has been providing additional advertising channels, and brought in additional revenue and business for the Group. Leveraging from our experience gained from the investment with Beijing Ouguan, the Group has also been gaining industry experience and also actively seeking for additional investment opportunities through industry networking events and marketing activities. Accordingly, the Directors believe that the management of the Company has sufficient industry experience to further expand the Company's movie business.

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PBIL is an integrated communication firm that provides total marketing solutions with onestop services which was founded in 1999 in Hong Kong. It is specialised in marketing communications, brand building, advertising promotions, corporate, visual identity, graphic and packaging design, public relations, event marketing and customer relationship management. PBIL made its feature film debut in 2012 with “The Cases”, which was the first supernatural docu-drama shot in South-East Asia. In addition to film work, its team was commissioned by the Macau government to stage the first large-scale musical, namely “**Love in Macau**”, in 2011. PBIL is beneficially owned by Mr. Alan de Law. Please find below the biographies of the key employees and consultant of Hutong:

Mr. Alan de Law (“Mr. Law”)

Mr. Law, being the president of PBIL, has 20 years of experience in the entertainment industry including experience from various 4As and regional agencies. He directs the concepts and creative executions of the video works he is involved and produced various films and music videos. Some of the TVC projects include well-known camera brand, home appliances chain stores, PRC financial institution and Hong Kong regulatory authority. In 2012, Mr. Law made his feature film debut, which was the first supernatural docu-drama shot in South-East Asia. In addition, he was commissioned by the Macau government to stage the first large-scale musical in 2011. Mr. Law is also collaborating with various music labels in producing musical pieces as well as concerts for numerous artists. Mr. Law is a member of Hong Kong Film Director Guild, Composers and Authors Society of Hong Kong Ltd and Hong Kong Chamber of Commerce in Shanghai, the PRC.

Ms. Yeung, Suen Man Patricia (“Ms. Yeung”)

Ms. Yeung, being the general manager of PBIL, responsible for the coordination and business development of event marketing and customer relations management. She graduated in British Columbia Institute of Technology in Vancouver, Canada major in marketing and business development, minor in music business. Ms. Yeung has over 20 years of experience in entertainment production and media industry. Ms. Yeung previously worked as key account director of an international disc and digital solution provider company for entertainment, education and information industry and a business development manager of an international music company in Beijing. Ms. Yeung was the only one who obtained ISO9001 and ISO14000 as the internal auditor to launch the integrated management system in an international disc and digital solution provider company. She also participated a numerous movie and music projects, primarily responsible for coordination as well as publishing in Asia Pacific region.

Given the extensive experience of PBIL in the movie industry, the Company will assign PBIL to be in charge of the day-to-day operation of the movies. Given the extensive experience of Mr. Law and Ms. Yeung at PBIL, the Directors believe that PBIL has sufficient time and resources to manage the investments in all the proposed movies at the same time.

The Directors considered that the formation of the New JV Company will allow the Group to further expand its current media production business and align with the Company’s strategy to further expand into the movie business. The New JV Company will actively exploring possibilities for investments in the international movie industry. As advised by the management of the New JV Company, the total investment cost of each movie is expected to range from

LETTER FROM THE BOARD

approximately HK\$16 million to approximately HK\$80 million. The Directors believe that by having an enlarged capital base, the JV Company will be able to invest in movie industry in a more timely manner. As at the Latest Practicable Date, other than the potential investments as stipulated under the letters of intent with Counter Party 1 and Counter Party 2, the New JV Company has not identified and/or is not in discussion or negotiation for production of any other movies.

If the investment of international movies is not proceeded, the intended alternative use of the proceeds will be allocated fully for other investment activities in companies operating in the media industry when such investment opportunities arise. No specific nature of business in the media industry is required. As at the Latest Practicable Date, the Company has not identified any specific investment targets.

General working capital for the existing businesses of the Group

The Board aims to strengthen the Group's presence in the operation and provision of advertising services by continuing the building of its strong team of high caliber professionals. The cash and cash equivalents of approximately RMB56.6 million (equivalent to approximately HK\$71.8 million) as disclosed in the interim report for the six months ended 30 June 2015 ("**2015 Interim Report**") and the net proceeds of approximately HK\$50 million from the Open Offer, the Group will have not less than approximately HK\$121.8 million general working capital available for the operation and development of the Group upon completion of the Open Offer. As disclosed in the 2015 Interim Report, the total selling and distribution costs and general and administrative expenses of the Group for the six months ended 30 June 2015 was approximately RMB32.4 million (equivalent to approximately HK\$41.1 million). The Group considers that with the development of the new business segments of international movie industry, the Group may have to incur additional selling and distribution costs and general and administrative expenses for the development and administration of such businesses. In addition, the Group plans to continue to develop its services to cope with the industry development and apply the general working capital for, among others, daily operating expenses such as marketing, employee training, research and development, office overheads, legal and professional fees and business networking expenditures incurred in conducting its existing business.

It is assumed that the total selling and distribution costs and general and administrative expenses of the Group will grow steadily at around 5% to 10% and at similar cost pattern for the next 12 months.

The Board has considered other fund raising alternatives before resolving to the Open Offer, including but not limited to debt financing, placing of new Shares and rights issue. Debt financing or bank loans would result in additional interest burden to and higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, the Company has attempted to obtain loan financing from its principal bankers for financing its principal business, however, the principal bankers indicated that it was unlikely for the Company to obtain loan financing from them. Therefore, given the fund raising size of the Company, the Directors consider that it will not be feasible for the Company to obtain the required amount from bank financing at favourable terms. Placing of new Shares would only be available to

LETTER FROM THE BOARD

certain placees who were not necessarily the existing Shareholders and would dilute the shareholding of the existing Shareholders in the Company. The Directors considered that it would be unfair to those Shareholders who had stayed with the Company for a considerable time, especially when the prospect of the Company is expected to improve.

Although rights issue, as compared to an Open Offer, can provide an additional option to those Shareholders who do not wish to take up the entitlements by selling their entitled nilpaid rights, rights issue would involve extra administrative work and cost for the preparation, printing, posting and processing of trading arrangements in relation to the nilpaid rights. The Company will also involve additional time and incur resources to administer the trading of the nil-paid rights including communication between the Company and other parties such as the registrar or financial printer. In addition, in view of the average trading volume in the past twelve months before the Latest Practicable Date, were only approximately 0.1% of the total issued Shares, there is uncertainty of the existence of a market to trade the nil-paid rights. The Board intends not to invest the resources for the extra administrative work and cost for the trading arrangements in relation to the nil-paid rights to the business development of the Company. In view of the above, the Board considers that raising funds by way of the Open Offer is more cost-effective and efficient as compared to a rights issue.

The objective of the Open Offer is to enable the Shareholders to maintain their proportionate interests in the Company should they wish to do so, ensuring stability in the Company's Shareholders base, and to participate in the Company's future growth and development. The Board therefore considers, since the Open Offer will already give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro-rata shareholding interests in the Company, even without the right to trade their nil-paid rights as in a rights issue, on balance, to conduct an Open Offer instead of a rights issue will be more beneficial to the Company and the Shareholders in the current circumstances.

Having considered other fund raising alternatives for the Group as disclosed above, and taking into account the benefits and cost of each of the alternatives, the Directors (including the independent non-executive Directors) are of the view that the Open Offer is in the interest of the Company and the Shareholders as a whole since it offers the Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company.

In assessing the fairness and reasonableness of the Open Offer, the Directors are of the view that:

- (a) the offer ratio of the Open Offer is determined after taking into account the estimated funding requirements of the Company and the Subscription Price;
- (b) the Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriters with reference to, among other things, (i) the prevailing market price of the Shares prior to the Last Trading Day and the theoretical ex-entitlement price; and (ii) the net loss of the Group for the three consecutive financial years since 2012;

LETTER FROM THE BOARD

- (c) in the course of considering the Open Offer, the Company has approached five securities houses, trying to obtain the best available terms for the Open Offer. Finally, the Company has entered into the Underwriting Agreement with three securities houses, being the Underwriters, with the most competitive underwriting commission rate. During the negotiation of the Underwriting Agreement, it has been indicated to the Company that a subscription price with a relatively deep discount to the closing price is necessary to induce the Underwriters to participate in the underwriting of the Underwritten Shares, which is an essential part of the Open Offer. Based on the foregoing, without deep discount to historical trading price, it will be unlikely for the Group to obtain underwriting services for the Open Offer from the only available underwriters, being the Underwriters. Hence, taking into account the fund raising size and the need for setting the Subscription Price at a relatively deep discount for inducing the Underwriters to provide underwriting services under the Open Offer, it has resulted in the offer ratio of the Open Offer with such dilutive impact to the Shareholders;
- (d) in view of the uncertainties in the financial market in Hong Kong as a result of the uncertainties stemming from fluctuating market sentiment, capital flow and trend of interest rate, the Directors consider it will be difficult to attract the Qualifying Shareholders to reinvest in the Company through the Open Offer under the volatile investment environment if the Subscription Price was not set at a relatively deep discount to the historical trading prices of the Shares;
- (e) the Open Offer will provide the Group with readily available fund for its investments in international movie industry;
- (f) under the Open Offer, all the Qualifying Shareholders will be offered the same opportunity to maintain their proportionate interests in the Company and to participate in the growth and development of the Company. Should the Qualifying Shareholders participate in the Open Offer, they will be subscribing the Offer Shares at a lower price as compared to the historical and prevailing market price of the Shares;
- (g) the Open Offer is subject to Shareholders' approval, which means that the Shareholders have a right to disapprove the Open Offer;
- (h) inherent dilutive nature of Open Offer in general if the Qualifying Shareholders did not take up their entitlements under the Open Offer in full. However, the Qualifying Shareholders have the first right to decide whether to accept their entitlements of the Offer Shares; and
- (i) the Underwriters have also undertaken to the Company that none of the persons to be procured by the Underwriters to subscribe for the Underwritten Shares will be a substantial Shareholder as a result of the Open Offer and shall be Independent Third Parties.

LETTER FROM THE BOARD

FUND RAISING EXERCISES OF THE COMPANY IN THE PAST 12 MONTHS

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
10 April 2015	Subscription of new shares under general mandate	Approximately HK\$26.40 million	General working capital of the Group and finance any attractive investment opportunities	The net proceeds of approximately HK\$26.40 million has not yet been utilised and is currently placed with bank and to be used as intended

Save for the above, the Company had not conducted any other fund raising exercise in the past 12 months immediately preceding the date of the Announcement and up to the Latest Practicable Date.

RISK FACTORS

No assurance on the Group's position as a dominant channel media provider for China's high-speed railway network

In the PRC, the railway media publication is subject to the supervision and approval by the Ministry of Railway which results in a high entry barrier of the industry. Being a dominant channel media provider for China's high speed railway network, the Group covers printed media, outdoor media and television media. The Group's dominant position achieved in the PRC railway printed media industry relies on the fact that limited competitors in the industry. Any changes of policies in relation to high-speed railway networks, such as approving entrance of new competitors, will change competitive landscape of the Group's industry. We cannot assure you that we will be able to position as a dominant channel media provider for China's high-speed railway network, and any increase in competition could materially and adversely affect our business, results of operations and financial condition.

Market risk on the printed media and outdoor media business

The revenue of the Group is principally derived from the sale of advertising space on the printed media and outdoor media which is characterised by changing preferences, trends and technology needs of customers and consumers. Our business growth and prospects primarily depends on customers continuing to utilise printed media and outdoor media which, in turn, is dependent on consumers continuing to be respective towards these media resources. Demand for printed media and outdoor media, and the resulting advertising spending by our customers, may fluctuate, and our customers may fluctuate, and our customers may reduce their advertising spending for a number of reasons, including:

- a period of general economic downturn, recession or a period of increased economic volatility, particularly in the cities where outdoor media and printed media in our network are located;

LETTER FROM THE BOARD

- a decision to shift their advertising expenditures to other available advertising media; and
- a decline in advertising spending in general.

Any adverse change of economic growth, decrease in demand for advertising media in general and for our media resources in particular may materially and adversely affect our ability to generate revenues from our media resources, and could result in a material adverse effect on our business, results of operations and financial condition.

Customers may decide not to use our media resources if they believe that they are not effective to conveying advertising messages to consumers or that consumer are not receptive to the advertisements displayed on our media resources.

Reliance on key management personnel

The Group's competitive edges are reflected from its key management and sales teams, which have extensive experiences in the advertising and media business, and are capable to apprehend and satisfy needs of different advertising customers and media industries. If one or more of the key management and sales team were unable to be retained, the Group's business and results of operations may be materially and adversely affected.

Execution risk on business plans

The business plan as set out in the section headed "Reasons for the Open Offer and use of proceeds" is based on circumstances currently prevailing and the assumptions that certain circumstances will or will not occur, and the risks inherent in various stages of the development of business. We may not have sufficient funding to execute our business plan if the Independent Shareholders will not approve the Open Offer or the Underwriters terminate their obligations upon occurrence of any of the events stated in the section headed "Termination of the Underwriting Agreement" in this Prospectus on or before the Latest Time for Termination. Therefore, there can be no assurance that the Company will be successful in carrying out its business plan, or that its business plan, even if carried out, will lead to successful implementation in the future. In addition, to expand into a new business line of investment in media production involves risks including those relating to: (i) identification of appropriate investment targets or negotiation on favourable terms and valuation; (ii) implementation of proper business and accounting control; (iii) diversion of management attention; and (iv) unexpected costs, expenses and liabilities. In light of the above-mentioned risks and conditions, unsatisfied executions of the Company's business plan can lead to negative effect to the Company's business and results of operations.

LETTER FROM THE BOARD

Changes in the PRC economic, political and social conditions and the PRC government policies can affect the Group's business

The Group derived over 99% of its sales volume from operations in the PRC market for the year ended 31 December 2014. Accordingly, its business, financial condition or results of operations are subject, to a significant degree, to economic, political and legal developments in the PRC. Any changes in the PRC economic, political and social conditions, laws, regulations and policies will adversely affect on the Group's current or future business and financial conditions.

WARNING OF THE RISK OF DEALINGS IN SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof.

Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Tuesday, 6 October 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

LISTING RULES IMPLICATIONS

As the Open Offer will increase the issued share capital of the Company by more than 50% within the 12 month period immediately preceding the date of the Announcement, the Open Offer is subject to, among other things, the approval by the Independent Shareholders at the EGM. As at the Latest Practicable Date, (i) Mr. Ruan Deqing is an executive Director and chairman of the Company; (ii) Lizhong Limited is a Substantial Shareholder and is indirectly owned as to approximately 48.73% and 48.73% by Mr. Ruan Deqing and Mr. Lin Pintong respectively; (iii) Mr. Wang Fuqing is a non-executive Director; and (iv) Mr. Peng Lichun is an executive Director. Mr. Ruan Deqing, Mr. Wang Fuqing, Mr. Peng Lichun, Lizhong Limited and their associates will be required to abstain from voting in favour of the ordinary resolution relating to the Open Offer. The Open Offer has been duly approved by the Independent Shareholders at the EGM.

LETTER FROM THE BOARD

GENERAL

Your attention is drawn to the information contained in the appendices to this Prospectus.

By the Order of the Board,
China 33 Media Group Limited
Ruan Deqing
Chairman

1. FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP INCORPORATED BY REFERENCE

The audited consolidated financial statement of the Group for the year ended 31 December 2012, 31 December 2013 and 31 December 2014, including the notes thereto, have been published in the annual reports of the Company for the years ended 31 December 2012 (pages 45 to 53), 31 December 2013 (pages 43 to 51) and 31 December 2014 (pages 39 to 45) respectively. The unaudited consolidated financial statement of the Group for the six months ended 30 June 2015, including notes thereto, have been published in the interim report of the Company for the six months period ended 30 June 2015 (pages 14 to 19). The said annual report and interim report of the Company are published on both the Stock Exchange (www.hkex.com) and the Company's website (www.china33media.com).

2012 annual report:

<http://www.hkexnews.hk/listedco/listconews/GEM/2013/0328/GLN20130328137.pdf>

2013 annual report:

<http://www.hkexnews.hk/listedco/listconews/GEM/2014/0328/GLN20140328147.pdf>

2014 annual report:

<http://www.hkexnews.hk/listedco/listconews/GEM/2015/0331/GLN20150331057.pdf>

2015 interim report:

<http://www.hkexnews.hk/listedco/listconews/GEM/2015/0814/GLN20150814205.pdf>

2. FINANCIAL TRADING PROSPECTS

The Group is principally engaged in operation and provision of advertising services of printed media for railway networks, and outdoor advertising spaces on air traffic control towers at airports, trains and railway stations in the PRC and money lending business in Hong Kong.

The Group's total revenue for the six months ended 30 June 2015 amounted to approximately RMB47,719,000, representing a decrease of approximately RMB5,580,000 or 10.5% as compared to approximately RMB53,299,000 for the corresponding period last year. This is mainly attributable to termination and cessation of periodical and advertising on billboards. The cost of sales decreased from approximately RMB43,853,000 for the six months ended 30 June 2014 to approximately RMB32,557,000 for the current period, representing a decrease of approximately 25.8%. The decrease was mainly attributable to cessation of a periodical in 2015, early termination of agency contracts in late 2014 and reduction in agency cost as result of cessation of distribution of periodical on trains under Wuhan Railway Bureau. In light of the decrease in revenue and the cost of sales, the loss attributable to the owners of the Company was RMB20,549,000, representing a decrease of approximately RMB3,128,000 or 13.21% from RMB23,677,000 as compared to the corresponding period last year.

Looking ahead, the Group will endeavor to maintain the growth of its existing businesses and expand into diversified new businesses. As part of the Group's diversified business development strategy, the Group tapped into the media production by entering into the cooperation agreement with Beijing Ouguan, a media provider, for a joint investment in the movie industry. In addition, the Group also cooperated with a directly owned subsidiary of China Central Television (the "CCTV"), and obtained the production rights of "Geographic China", one of the CCTV programmes. The Board will continue to seek for business opportunities available in the advertising and media market which can enhance shareholders' value and strengthen the financial position of the Group.

3. INDEBTEDNESS STATEMENT

As at the close of business on 31 July 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had outstanding unsecured and unguaranteed amount due to an associate of RMB3,000,000.

The Group had undrawn short-term banking facilities which were secured by pledged bank deposits of RMB15,309,000 as at 31 July 2015.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, the Group did not have any other loan capital issued and outstanding or agreed to be issued but unissued, loans, bank overdrafts, or other similar indebtedness, finance lease or hire purchase commitment, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, guarantees or other material contingent liabilities as at the close of business on 31 July 2015.

4. WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that, after taking into account the present available resources and the estimated net proceeds from the Open Offer, the Group will have sufficient working capital for its normal business for at least the next twelve months from the date of this Prospectus in the absence of unforeseeable circumstances.

5. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial position of the Group since 30 June 2015, being the date to which the latest published unaudited condensed consolidated financial statements of the Group were made up.

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
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For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after the completion of the Open Offer.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “Unaudited Pro Forma Financial Information”) has been prepared by the Directors in accordance with Rule 7.31 of the GEM Listing Rules to illustrate the effect of the Open Offer on the unaudited consolidated net tangible assets of the Group as if the Open Offer had taken place on 30 June 2015.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2015, as extracted from the published interim report of the Company for the six months ended 30 June 2015, and is adjusted for the effect of the Open Offer.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company upon completion of the Open Offer as at 30 June 2015 or at any future date.

	Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2015	Estimated net proceeds from the Open Offer	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Open Offer as at 30 June 2015
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>
Based on 5,040,000,000 Offer Shares at Subscription Price of HK\$0.1 per Offer Share	146,898	394,538	541,436
			<i>RMB cents</i>
Unaudited consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 30 June 2015 before the completion of the Open Offer <i>(Note 4)</i>			20.40
Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to the owners of the Company immediately after completion of the Open Offer <i>(Note 5)</i>			9.40

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
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Notes:

- (1) The unaudited consolidated net tangible assets of the Group attributable to owners of the Company of RMB146,898,000 as at 30 June 2015 is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2015 included in the published interim report of the Company.
- (2) The estimated net proceeds from the Open Offer of approximately HK\$497,400,000, equivalent to approximately RMB394,538,000 using exchange rate of RMB0.7932: HK\$1, are based on 5,040,000,000 Offer Shares to be issued at the Subscription Price of HK\$0.1 per Offer Share and after deduction of the estimated related expenses, including, among others, underwriting commission, financial advisory fee and other professional fees, which are directly attributable to the Open Offer, of approximately HK\$6,600,000, equivalent to approximately RMB5,235,000 using exchange rate of RMB0.7932: HK\$1.

The number of 5,040,000,000 fully underwritten Offer Shares to be issued is based on 720,000,000 Shares of the Company in issue as at 30 June 2015 and as the basis of seven Offer Shares for every one existing share in issue on the Record Date.

- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Open Offer represents the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2015 plus the estimated net proceeds from the Open Offer as set out in Note 2 above.
- (4) The calculation of the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2015 before the completion of the Open Offer is determined based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company of RMB146,898,000 as discussed in Note 1 above and the 720,000,000 Shares of the Company as at 30 June 2015.
- (5) Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 30 June 2015 immediately after completion of the Open Offer is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Open Offer of RMB541,436,000 as discussed in Note 3 above, divided by 5,760,000,000 Shares which represents
 - (i) 720,000,000 Shares of the Company in issue as at 30 June 2015; and
 - (ii) 5,040,000,000 Offer Shares to be issued pursuant to the Open Offer.
- (6) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2015.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL
INFORMATION**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION**

TO THE DIRECTORS OF CHINA 33 MEDIA GROUP LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China 33 Media Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2015 and related notes as set out in Section A of Appendix II to the prospectus issued by the Company dated 14 September 2015 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Section A of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed open offer of 5,040,000,000 new shares to be issued by the Company at a subscription price of HK\$0.1 per offer share on the Group's net tangible assets as at 30 June 2015 as if the Open Offer had taken place at 30 June 2015. As part of this process, information about the Group's net tangible assets has been extracted by the Directors from the Group's unaudited consolidated financial statements for the six months ended 30 June 2015, on which no review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
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We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 7.31 of the GEM Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants’ judgment, having regard to the reporting accountants’ understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information of the Group has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
14 September 2015

1. RESPONSIBILITY STATEMENT

The Prospectus Documents, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 the Prospectus Document is accurate and complete in all material respects and not misleading or deceptive, there are no other matters the omission of which would make any statement herein or in the Prospectus Document misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable and immediately upon completion of the Open Offer are as follows:

Authorised share capital:

	US\$
<u>40,000,000,000</u> Shares	<u>40,000,000.00</u>

Assuming there is no change to the issued share capital of the Company on or before the Record Date:

Issued and fully paid share capital or credited as fully paid:

720,000,000 Shares in issue as at the Latest Practicable Date	720,000
<u>5,040,000,000</u> Offer Shares to be issued	<u>5,040,000</u>
<u>5,760,000,000</u> Shares in issue and fully paid immediately upon completion of the Open Offer	<u>5,760,000</u>

As at the Latest Practicable Date, the Company had no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

No capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

All Shares in issue rank pari passu in all respects with each other including, in particular, as to rights to dividends, voting rights and return of capital.

The issued Shares are listed and traded on the GEM Board of the Stock Exchange. None of the securities of the Company is listed, or dealt in, on any other exchange, nor is any listing of or permission to deal in the securities of the Company being, or proposed to be, sought on any other stock exchange.

3. DISCLOSURE OF INTERESTS

(i) Directors

(a) Directors' and chief executives' interests in the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executives had interests and short positions in the Shares, the underlying Shares and/or the debentures (as the case may be) of the Company or any its associated corporations (within the meaning of the SFO) (a) which were required to be 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 any such Director or chief executive is taken or deemed to have under such provisions of the SFO) (b) or which were required to be entered into the register required to be kept by the Company under section 352 of the SFO or (c) which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Rule 5.46 to 5.67 of the GEM Listing Rules:

Long positions in the shares and underlying shares of the Company and its associated corporations.

Name of Director	Nature of interests	Number of Shares held	Percentage of issued share capital of the Company as at the Latest Practicable Date
Mr. Ruan Deqing	Interest of a controlled corporation	192,000,300 <i>(Note 1)</i>	26.67%
Mr. Wang Fuqing	Interest of a controlled corporation	45,738,000 <i>(Note 2)</i>	6.35%
	Beneficial owner	1,194,000	0.17%

Notes:

- These Shares are registered in the name of Lizhong Limited ("Lizhong"), 48.73% of the entire issued share capital of which is owned by Joint Loyal Limited ("Joint Loyal"). The entire issued share capital of Joint Loyal is owned by Mr. Ruan Deqing ("Mr. Ruan"), an executive director. Mr. Ruan is deemed to be interested in all the Shares in which Joint Loyal is interested by virtue of the SFO. Mr. Ruan is the sole director of Joint Loyal.
- These Shares were registered in the name of Make Sense Group Limited ("Make Sense"), the entire issued share capital of which was owned by Mr. Wang Fuqing ("Mr. Wang"), a non-executive director. Mr. Wang was deemed to be interested in all the Shares in which Make Sense was interested by virtue of the SFO. Mr. Wang was the sole director of Make Sense.

(b) Directors' interests in service contracts

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

(c) Directors' interests in assets

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have been since 31 December 2014, being the date to which the latest published audited financial statements of the Group were made up, acquired by or disposed of or leased to any member of the Group or are proposed to be acquired by or disposed of or leased to any member of the Group;

(d) Directors' interests in contracts or arrangements

Save for being the Undertaken Shareholders in the Offer Shares Undertakings, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into with any member of the Group which contract or arrangement is subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Group; and

(e) Directors' interests in competing businesses

As at the Latest Practicable Date, none of the Directors and their respective close associates have any interest in any businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses to which the Directors and their close associates were appointed to represent the interests of the Company and/or the Group.

(ii) Interests of Substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors and the chief executives of the Company, each of the following persons (other than a Director or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Division 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 and were recorded in the register to be kept under section 336 of the SFO:

Name of Shareholder	Nature	Number of Shares	Percentage of issued share capital of the Company as at the Latest Practicable Date (%)
Lizhong (<i>Note 1</i>)	Beneficial owner	192,000,300	26.67
Broad Win (<i>Note 1</i>)	Interest of a controlled corporation	192,000,300	26.67
Ms. Pan Xiaoying (<i>Note 2</i>)	Interest of spouse	192,000,300	26.67
Joint Loyal (<i>Note 1</i>)	Interest of a controlled corporation	192,000,300	26.67
Ms. Liu Sibin (<i>Note 3</i>)	Interest of spouse	192,000,300	26.67
New Express Investment Limited	Beneficial owner	113,622,000	15.78
China Investment and Finance Group Limited	Interest of a controlled corporation	113,622,000	15.78
Ms. Chu Yuet Wah (<i>Note 4</i>)	Interest of a controlled corporation	1,500,000,000	26.04
Active Dynamic Limited (<i>Note 4</i>)	Interest of a controlled corporation	1,500,000,000	26.04
Galaxy Sky Investments Limited (<i>Note 4</i>)	Interest of a controlled corporation	1,500,000,000	26.04
Kingston Capital Asia Limited (<i>Note 4</i>)	Interest of a controlled corporation	1,500,000,000	26.04

Name of Shareholder	Nature	Number of Shares	Percentage of issued share capital of the Company as at the Latest Practicable Date (%)
Kingston Financial Group Limited (<i>Note 4</i>)	Interest of a controlled corporation	1,500,000,000	26.04
Kingston Securities (<i>Note 4</i>)	Others	1,500,000,000	26.04
Harvest Aspect International Limited	Others	644,640,000	11.19
Mr. Yu Tsung Chin William	Others	644,640,000	11.19
Gransing Securities (<i>Note 5</i>)	Beneficial owner	1,905,200,300	33.08
Oei Hong Eng (<i>Note 5</i>)	Interest of a controlled corporation	1,905,200,300	33.08
Que Bon Tan Gerald (<i>Note 5</i>)	Interest of a controlled corporation	1,905,200,300	33.08
RHB OSK Securities (<i>Note 6</i>)	Beneficial owner	500,000,000	8.68

Notes:

1. These Shares are registered in the name of and beneficially owned by Lizhong Limited, 48.73% and 48.73% of the entire issued share capital of Lizhong Limited is owned by Broad Win Limited (“Broad Win”) and Joint Loyal Limited (“Joint Loyal”) respectively. The entire issued share capital of Broad Win and Joint Loyal is owned by Mr. Lin Pintong (“Mr. Lin”) and Mr. Ruan Deqing (“Mr. Ruan”) respectively. Under the SFO, each of Mr. Lin, Mr. Ruan, Broad Win and Joint Loyal is deemed to be interested in all the Shares held by Lizhong Limited.
2. Ms. Pan Xiaoying (“Ms. Pan”) is the spouse of Mr. Lin. Therefore, Ms. Pan is deemed, or taken to be, interested in the 192,000,300 Shares which Mr. Lin is deemed, or taken to be interested in for the purposes of the SFO.
3. Ms. Liu Sibin (“Ms. Liu”) is the spouse of Mr. Ruan. Therefore, Ms. Liu is deemed, or taken to be, interested in the 192,000,300 Shares which Mr. Ruan is deemed, or taken to be interested in for the purposes of the SFO.
4. The Shares are the Offer Shares which Kingston Securities is interested under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer. Kingston Securities is a wholly-owned subsidiary of Galaxy Sky Investments Limited, which is wholly owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited is wholly owned by Kingston Financial Group Limited. Active Dynamic Limited owns 49.19% interest in Kingston Financial Group Limited. Ms. Chu Yuet Wah owns 100% interest in Active Dynamic Limited.

5. The Shares are the Offer Shares which Gransing Securities is interested under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer. These Shares are registered in the name of and beneficially owned by Gransing Securities, 50% and 50% of the issued share capital of Gransing Securities is owned by Oei Hong Eng and Que Bon Tan Gerald respectively. Under the SFO, each of Oei Hong Eng and Que Bon Tan Gerald is deemed to be interested in all the Shares held by Gransing Securities.
6. The Shares are the Offer Shares which RHB OSK Securities is interested under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Open Offer.

Other than disclosed herein, as at the Latest Practicable Date, so far as was known to the Directors or chief executives of the Company, the Company had not been notified of any other interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 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 member of the Group.

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 derivative in respect of Shares.

4. CORPORATE INFORMATION

Name	Address
<i>Executive Directors</i>	
Mr. Ruan Deqing	Suite 2001, Tower 1 China Hong Kong City 33 Canton Road Tsimshatsui Kowloon Hong Kong
Mr. Peng Lichun	Suite 2001, Tower 1 China Hong Kong City 33 Canton Road Tsimshatsui Kowloon Hong Kong
Mr. Ma Pun Fai	Suite 2001, Tower 1 China Hong Kong City 33 Canton Road Tsimshatsui Kowloon Hong Kong

Name	Address
<i>Non-executive Directors</i>	
Mr. Wang Fuqing	Suite 2001, Tower 1 China Hong Kong City 33 Canton Road Tsimshatsui Kowloon Hong Kong
<i>Independent Non-executive Directors</i>	
Ms. Tay Sheve Li	Suite 2001, Tower 1 China Hong Kong City 33 Canton Road Tsimshatsui Kowloon Hong Kong
Ms. Yu Shun Yan Verda	Suite 2001, Tower 1 China Hong Kong City 33 Canton Road Tsimshatsui Kowloon Hong Kong
Audit Committee	Ms. Tay Sheve Li (<i>Chairman</i>) Ms. Yu Shun Yan Verda
Remuneration Committee	Mr. Tay Sheve Li (<i>Chairman</i>) Mr. Ruan Deqing Ms. Yu Shun Yan Verda
Nomination Committee	Ms. Yu Shun Yan Verda (<i>Chairman</i>) Mr. Tay Sheve Li Mr. Peng Lichun

Corporate Information and Other Parties Involved in the Open Offer

Registered office	Cricket Square Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Head office	12th Floor, Block B Yonggui Centre 41 Guangqumennei Main Street Dongcheng District Beijing China
Principal place of business in Hong Kong	Suite 2001, Tower 1 China Hong Kong City 33 Canton Road Tsimshatsui Kowloon Hong Kong
Company Secretary	Mr. Siu Shing Tak
Compliance officer	Mr. Ruan Deqing
Authorised representatives	Mr. Ruan Deqing Mr. Siu Shing Tak
Hong Kong branch share registrar	Trior Investor Services Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Auditors	Deloitte Touche Tohmatsu 35/F One Pacific Place 88 Queensway Hong Kong

Principal Bankers

Industrial Bank Co., Ltd.
77-1 Chaoyang Gate Outer Street
Chao Yang District
Beijing
China

Standard Chartered Bank (Hong Kong) Limited
4-4A Des Voeux Road
Standard Chartered Bank Building
Central
Hong Kong

Industrial and Commercial Bank of China (Asia)
Limited
Shop F, G/F., Kai Tak Commercial Building
317-319 Des Voeux Road Central
Sheung Wan
Hong Kong

Stock code

8087

Website<http://www.china33media.com/html/index.php>**5. PARTIES INVOLVED IN THE OPEN OFFER****The Company**

China 33 Media Group Limited
Suite 2001
Tower 1
China Hong Kong City
33 Canton Road
Tsimshatsui
Hong Kong

Underwriter	Gransing Securities Co., Limited Rm. 805–806 Far East Consortium Bldg. 121 Des Voeux Road Central Hong Kong
	Kingston Securities Limited Suite 2801, 28/F. One International Finance Centre 1 Harbour View Street Central Hong Kong
	RHB OSK Securities Hong Kong Limited 12/F, World-Wide House 19 Des Voeux Road Central Hong Kong
Financial adviser of the Company	Octal Capital Limited 801–805, 8th Floor, Nan Fung Tower 88 Connaught Road Central Hong Kong
Legal advisers to the Company	Patrick Mak and Tse 16/F, Nan Fung Tower 173 Des Voeux Road Central Hong Kong
Reporting Accountants	Deloitte Touche Tohmatsu 35/F One Pacific Place 88 Queensway Hong Kong
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited Level 22, Hopewell Centre 183 Queen’s Road East Hong Kong

6. LITIGATION

As detailed in the Company’s announcement made on 13 December 2012, there were some contractual disputes between Beijing Aoshen Media Advertising Co., Ltd (“Beijing Aoshen”), being a wholly-owned subsidiary of the Company, and Guangzhou Railway Group Culture Advertising Company (the “Plaintiff”) regarding two agreements (the “Advertising Agreements”) entered into between Beijing Aoshen and the Plaintiff dated 15 November 2011

and 16 November 2011. The Advertising Agreements were in relation to the grant of an exclusive right of operation by the Plaintiff to Beijing Aoshen for advertising on the “HaikouSanya” and “Guangzhou-Shenzhen” routes of the China Railway High Speed trains.

In the course of implementing the Advertising Agreements, there were disputes between Beijing Aoshen and the Plaintiff such that Beijing Aoshen gave notice to the Plaintiff on 30 May 2012 to terminate the Advertising Agreements. Subsequently, Beijing Aoshen received two writs in the PRC issued by the Plaintiff alleging that Beijing Aoshen was in breach of the Advertising Agreements. As stated in the writs, the Plaintiff was seeking for the following orders from the court: (1) that the Plaintiff and Beijing Aoshen shall continue to perform the Advertising Agreements in accordance with their respective terms; (2) that Beijing Aoshen shall pay to the Plaintiff the total outstanding amount of approximately RMB15.3 million and damages of approximately RMB4.7 million in accordance with the terms of the Advertising Agreements; and (3) that Beijing Aoshen shall be responsible for all the legal costs involved in the legal proceedings. Orders (the “First Order”) were made from Guangzhou Railway Transport Immediate Court (廣州鐵路運輸中級法院) (the “Court”) on 8 March 2013. The First Order stated that (i) the Advertising Agreements were terminated on 31 May 2012 pursuant to the termination notice served by Beijing Aoshen to the Plaintiff on 30 May 2012; (ii) Beijing Aoshen shall pay to the Plaintiff (I) the total outstanding amount under the Advertising Agreements; and (II) damages, (collectively the “Sums”) of approximately RMB2.4 million and RMB5.5 million, respectively; and (iii) the legal costs of approximately RMB63,000 for the First Order shall be borne by Beijing Aoshen.

On 14 March 2013, Beijing Aoshen issued a writ to the Court against the Plaintiff for the Plaintiff’s breach of the Advertising Agreements (the “Counterclaim”), and the first hearing of which was held on 8 May 2013. The Counterclaim was rejected by the Court on 29 May 2013.

Subsequently, both Beijing Aoshen and the Plaintiff filed their appeals in year 2013 on the results of the First Order in Higher People’s Court of Guangdong Province (廣東省高級人民法院) (the “High Court”). On 8 August 2013, orders (the “Second Order”) were made by the High Court. The Second Order upheld the First Order and that the legal costs of approximately RMB81,000 for the Second Order shall be borne by Beijing Aoshen. Details of the Second Order and the Counterclaim were set out in the Company’s announcement dated 18 September 2013.

Since Beijing Aoshen has not paid to the Plaintiff in accordance with the Second Order, the Plaintiff filed an application to the Court to freeze certain bank accounts (the “Bank Accounts”), motor vehicles (the “Motor Vehicles”) and the equity interest in Beijing Oi Ai Culture Development Co. Ltd (北京愛締文化發展有限公司) (“Beijing Oi Ai”) held by Beijing Aoshen (the “Equity Interest”) on 28 October 2013.

After a series of negotiations between the Group and the Plaintiff, on 27 November 2013, a settlement agreement was entered into between Beijing Aoshen and the Plaintiff under the supervision of the Court, pursuant to which:

- (a) The Sums shall be reduced to RMB7,500,000 (the “Revised Sums”);

- (b) The Plaintiff shall apply to the Court to unfreeze the Bank Accounts upon the date of the settlement agreement (of which such application has been made and the Bank Accounts were unfrozen before 31 December 2013);
- (c) The Plaintiff shall apply to the Court to unfreeze the Motor Vehicles and the Equity Interest upon the full settlement of RMB7,500,000 by Beijing Aoshen; and
- (d) The Revised Sums shall be fully settled by way of: (i) a first instalment of RMB2,000,000 upon unfreezing the Bank Accounts; (ii) a second instalment of RMB1,500,000 within 30 days from the date of the first instalment; and (iii) the remaining of RMB4,000,000 by eight instalments, each not less than RMB500,000, before 30 October 2014.

The directors of the Company made the full provision of RMB7,500,000 during the year ended 31 December 2012. Up to 31 December 2013, Beijing Aoshen has already settled the first instalment and the second instalment in aggregate of RMB3,500,000 to the Plaintiff. The remaining instalments in aggregate of RMB4,000,000 were settled during the year ended 31 December 2014.

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this Prospectus:

- (i) the subscription agreement dated 10 April 2015 entered into between the Company and New Express Investment Limited (“New Express”), an independent third party, pursuant to which, the Company agreed to issue and New Express agreed to subscribe, in cash, for 120,000,000 new shares of the Company at a subscription price of HK\$0.22 per share; and
- (ii) the Underwriting Agreement dated 24 July 2015 (as supplemented by the supplemental underwriting agreement dated 4 August 2015) entered into among the Company and the Underwriters in relation to the underwriting arrangement in respect of the Open Offer.

8. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Executive Directors

Mr. Ruan Deqing, aged 50, is the Chairman and an Executive Director and is responsible for the operating and financial matters of the Group. He also acts as the compliance officer of the Group. Mr. Ruan was appointed as a Director on 5 May 2010.

Mr. Ruan graduated from the Zhengzhou Institute of Railway Mechanics (鄭州鐵路機械學校) in 1986 and obtained an Adult Education Diploma in Advertising from the Xiamen University (廈門大學) in July 2000. Mr. Ruan has more than ten years of experience in the advertising industry. Prior to co-founding the Group with Mr. Lin Pintong, Mr. Ruan worked as a technician of the locomotive depot in Fuzhou of Nanchang Railway Bureau (南昌鐵路局福州機務處) during the period from 1986 to 1997. During the period from 1997 to 1999, Mr. Ruan worked at Fujian Huashui Advertising and Decorating Company Limited (福建華稅廣告裝潢有限公司). Mr. Ruan was the general manager of Fujian Annual Ring Advertisement Co., Ltd. (福州年輪廣告有限公司) during the period from 1999 to 2002. From August 2002 to April 2010, Mr. Ruan was the general manager of Fujian Ao Shen Media Advertising Co., Ltd. (福建省奧神傳媒廣告有限責任公司). Mr. Ruan did not hold any directorship in other listed public companies in Hong Kong or overseas in the last three years. Mr. Ruan is currently a director of Lizhong Limited and Joint Loyal Limited, which have an interest in such number of shares of the Company under Divisions 2 and 3 of Part XV of Securities and Futures Ordinance.

Mr. Peng Lichun, aged 33, is an Executive Director appointed on 5 March 2015. Mr. Peng has over 12 years of working experience in financial industry and has solid experience in corporate fund raising and management in Hong Kong and the People's Republic of China (the "PRC"). Mr. Peng obtained a professional certificate of economic management and computer management from Xiangtan University (湘潭大學), PRC in 2002. He is currently a director in a wealth management company in Shenzhen which focusing securities investment and wealth management in the PRC. Mr. Peng did not hold any directorship in other listed public companies in Hong Kong or overseas in the last three years.

Mr. Ma Pun Fai, aged 46, was appointed as an Executive Director on 25 August 2015. Mr. Ma has over 20 years' experience in administration and management. He is currently a managing director in a local electronics company. Mr. Ma had been working in the entertainment and advertising industry for six years, and was responsible for administrative and managerial work in several domestic and foreign enterprises. It is believed that Mr. Ma's extensive management experience will provide enormous support to the Company's development planning and business strategy. Mr. Ma has not at any time during the three years preceding the date of this Prospectus served nor is currently serving as a director of any other publicly listed companies in Hong Kong or overseas.

Non-Executive Director

Mr. Wang Fuqing, aged 47, was appointed as a Non-Executive Director on 17 December 2010 and redesignated as Executive Director on 1 June 2012. On 19 July 2013, he was re-designated as a Non-Executive Director. Mr. Wang obtained a bachelor's degree in agricultural economics and administration and a master degree in agricultural economics and administration in 1987 and 1992 respectively, from the Fujian Agriculture and Forestry University (福建農林大學) (then known as Fujian Agriculture University (福建農學院)). Mr. Wang worked at Fujian Agriculture General Development Co., Ltd. (福建省農業綜合開發公司) during the period from 1992 to 1994. Mr. Wang has nearly ten years of experience in the securities and brokerage industry. He worked at the investment

banking department of Fujian Industrial Securities Co., Ltd. (福建興業證券公司) from 1994 to 1995 and worked for China Merchants Securities Co., Ltd. (招商證券股份有限公司) in China during the period from 1995 to 2004. During the period from 2004 to 2006, Mr. Wang was the Executive Director of Shenzhen Mindray Bio-medical Electronics Co., Ltd. (深圳邁瑞生物醫療電子股份有限公司) and was responsible for overseeing the capital market activities of the company. Since 2006, Mr. Wang is the general manager of Shenzhen Hui Jie Investment Company Ltd. (深圳市匯傑投資有限公司) and a director of Make Sense Group Limited. Mr. Wang did not hold any directorship in other listed public companies in Hong Kong or overseas in the last three years. Mr. Wang is currently a director of Make Sense Group Limited, which has an interest in such number of shares of the Company under Divisions 2 and 3 of Part XV of Securities and Futures Ordinance.

Independent Non-Executive Directors

Ms. Tay Sheve Li, aged 42, is an Independent Non-Executive Director appointed on 30 September 2013. Ms. Tay graduated from the University of Strathclyde, United Kingdom, in July 1994 with a bachelor's degree in arts majoring in accounting and finance and received her master's degree in applied finance from University of Western Sydney in September 2004. Since 2002, Ms. Tay has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of Association of Chartered Certified Accountants. Ms. Tay has over 15 years of experience in accounting and auditing experience. From November 1997 to September 2007, she worked at Ernst & Young as a senior manager in audit assurance. From October 2007 to September 2010, Ms. Tay worked at Ernst & Young as a senior manager in the finance department. From October 2010 to June 2011, Ms. Tay was the president of finance and capital management department in Centron Telecom International Holding Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 1155). From November 2011 to January 2014, Ms. Tay was an independent non-executive director of National United Resources Holdings Limited (formerly known as China Outdoor Media Group Limited), a company listed on the Main Board of the Stock Exchange (stock code: 254). Ms. Tay is currently an independent non-executive director of Grand Concord International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 844). Ms. Tay is the Independent Non-Executive Director who has the qualifications and experience (as mentioned above) to meet the requirements under Rule 5.05(2) of the GEM Listing Rules. Save as disclosed herein, Ms. Tay did not hold any directorship in other listed public companies in Hong Kong or overseas in the last three years.

Ms. Yu Shun Yan Verda, aged 33, is an Independent Non-Executive Director appointed on 5 March 2015. Ms. Yu graduated from The Hong Kong Institute of Education with a bachelor's degree in Education in 2004. She has over 7 years of experience in business promotion, corporate communication and relationship management in different business sectors including public relation company and financial institutes. She is currently working in a public relation company as a marketing director and had worked in financial institutes for almost 7 years. Ms. Yu did not hold any directorship in other listed public companies in Hong Kong or overseas in the last three years.

9. DIRECTORS' SERVICE CONTRACTS

Appointments

Mr. Ruan Deqing entered into a service agreement with the Company commencing from 17 December 2010 and a supplemental agreement dated 11 November 2013 for an initial fixed term of three years which shall be automatically renewed and extended for successive terms of one year and may be terminated after the initial term by either party by giving at least three months' written notice. The appointment is subject to the provisions of the articles of association of the Company with regard to vacation of office of Directors, removal and retirement by rotation of Directors. Mr. Ruan receives an annual director's fee of HK\$600,000, which was determined by the Board with reference to his experience, his duties and responsibilities with the Company and the prevailing market conditions.

Mr. Wang Fuqing entered into an appointment letter with the Company commencing 19 July 2013 for an initial fixed term of one years which shall be automatically renewed and extended for successive terms of one year and may be terminated after the initial term by either party by giving at least three months' written notice. The appointment is subject to the provisions of the articles of association of the Company with regard to vacation of office of Directors, removal and retirement by rotation of Directors. Mr. Wang receives annual director's fee of HK\$360,000 during his appointment, which was determined by the Board with reference to her experience, her duties and responsibilities with the Company and the prevailing market conditions.

Ms. Tay Sheve Li entered into an appointment letter with the Company commencing 30 September 2013 for an initial fixed term of one years which shall be automatically renewed and extended for successive terms of one year and may be terminated after the initial term by either party by giving at least three months' written notice. The appointment is subject to the provisions of the articles of association of the Company with regard to vacation of office of Directors, removal and retirement by rotation of Directors. Ms. Tay receives a remuneration of HK\$180,000, which was determined by the Board with reference to her experience, her duties and responsibilities with the Company and the prevailing market conditions.

Resignations

Ms. Yang Kan resigned as executive Director with effect from 4 August 2015 because she would like to devote her time on development of her personal career.

Mr. Teng Tai resigned as independent non-executive Director with effect from 25 August 2015 due to other business commitments.

Save as disclosed in this section, as at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service agreements with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

10. MISCELLANEOUS

- (a) The Company secretary and the Chief Financial Officer of the Company is Mr. Siu Shing Tak. Mr. Siu is a certified public accountant of American Institute of Certified Public Accountant and Hong Kong Institute of Certified Public Accountant.
- (b) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the Company's principal place of business in Hong Kong is located at Suite 2001, Tower 1, China Hong Kong City, 33 Canton Road, Tsimshatsui, Hong Kong.
- (c) The branch share registrar of the Company in Hong Kong is Tricor Investment Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) In case of any inconsistency, the English text of this Prospectus shall prevail over its Chinese text.

11. EXPERT AND CONSENT

- (a) The following sets out the qualifications of the expert who has given its opinion or advice as contained in this Prospectus:

Name	Qualifications
Deloitte Touche Tohmatsu ("DTT")	Certified Public Accountants

- (b) DTT has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter, statement or advice and references to its name in the form and context in which they are included.
- (c) As at the Latest Practicable Date, DTT did not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (d) As at the Latest Practicable Date, DTT did not have any interest, direct or indirect, in any asset which have been since 31 December 2014, being the date to which the latest published audited financial statements of the Group were made up, acquired by or disposed of or leased to any member of the Group or are proposed to be acquired by or disposed of or leased to any member of the Group.

12. EXPENSES

The expenses in connection with the Open Offer, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges, registration and other related expenses, are estimated to amount to approximately HK\$7 million and are payable by the Company.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during 9:00 a.m. to 5:00 p.m. on any week day, except Saturday, Sundays and public holidays at the principal place of business in Hong Kong of the Company at Suite No. 2001, Tower 1, China Hong Kong City, 33 Canton Road, Tsimshatsui, Hong Kong during normal business hours from the Latest Practicable Date up to and including the date of the EGM:

- (a) the memorandum of association and articles of association of the Company;
- (b) the material contracts referred to the paragraph headed “Material Contracts” to this appendix;
- (c) the annual reports of the Company for the two financial years ended 31 December 2013 and 2014;
- (d) the interim report of the Company for the six months ended 30 June 2015;
- (e) the letter from the Board, the text of which is set out on pages 13 to 40 of this Prospectus;
- (f) the service contract(s) or appointment letter(s) (as the case may be) entered into between the Company with the Directors referred to in paragraph headed “Director’s interest in service contracts or arrangements” in this appendix;
- (g) the letter from DTT on the unaudited pro forma financial information of the Group, the text of which is set out in Section B of Appendix II to this Prospectus;
- (h) the letters of written consent referred to in the paragraph headed “Expert and Consent” in this appendix;
- (i) the Circular; and
- (j) this Prospectus.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed “Expert and Consent” in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (WUMP) Ordinance.

15. LEGAL EFFECT

The Prospectus Documents and all acceptance of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.