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GENVON GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2389)

UPDATE PROGRESS ON THE SUBSCRIPTION

Reference is made to the announcement of Genvon Group Limited (the “**Company**”) dated 17 January 2014, 31 July 2014 and 20 August 2014 (the “**Announcements**”) in relation to, among other things, the Subscription of News Shares under General Mandate. Capitalised terms used herein have the same meanings as defined in the Announcements unless otherwise specified.

The Board announces that, on 27 August 2014, the legal advisers of the Company received a reply letter from the Subscriber stating that the Company has made representation to them that the Subscription Shares that they would have subscribed would represent 18.91% shareholding in the Company, they claimed that the issue of 3,984,000,000 placing shares on 29 August 2014 would dilute their shareholding in the Company, therefore, requesting the company to issue additional 1,236,914,004 shares to them.

Save as stated in the reply letter of the Company dated 5 August 2014, pursuant to the terms of the Subscription Agreement: (1) The Company did not make any representation to the Subscriber that the Subscription Shares will become 18.91% shareholding in the Company as at the Completion Date, (2) there is no prohibition terms in the Subscription Agreement that the Company cannot issue and allot new shares before the completion of subscription and (3) there is no anti-dilution adjustment mechanism stated in the Subscription Agreement. In this regard, the Company considered that there is no reasonable basis for the request made by the Subscriber and the Company has no obligation to agree with the request made by the Subscriber.

The Board considered that the Subscriber did not comply with the terms of the Subscription Agreement, the Company is considering to take legal action against the Subscriber.

By Order of the Board
Genvon Group Limited
Wang Zheng Chun
Chairman

Hong Kong, 2 September 2014

As at the date of this announcement, the Board comprises five Executive Directors, namely Mr Wang Zheng Chun, Mr Zheng Wei Chong, Mr Xu Wen Cong, Mr Cheung Man and Mr Liu Hoi Keung, and three Independent Non-Executive Directors, namely Mr. Xie Ming, Mr Ma Kwai Yuen and Mr Ho Hao Veng .