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Stock Code: 8075
Website: www.rojam.com

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Financial Adviser



PROPOSED CHANGE OF DOMICILE AND CAPITAL REORGANISATION

The Directors propose to change the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda, and subject to the completion of the Change of Domicile, to adopt a new memorandum of continuance and bye-laws in compliance with the laws of Bermuda to replace the existing memorandum and articles of association of the Company.

The Directors also propose, upon the Change of Domicile becoming effective, to reorganise the capital of the Company in the following manner:

- (a) the reduction of the issued share capital of the Company through reducing the par value of each of the issued Existing Shares from HK\$0.10 each to HK\$0.01 each by canceling the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued Existing Shares so that the existing issued share capital of HK\$192,611,440.30 will be reduced by HK\$173,350,296.27 to HK\$19,261,144.03 comprising 1,926,114,403 New Shares of HK\$0.01 each;

- (b) the subdivision of each authorised but unissued Share of HK\$0.10 into 10 New Shares of HK\$0.01 each;
- (c) the transfer of the credit of HK\$173,350,296.27 arising from the Capital Reduction to the contributed surplus account of the Company within the meaning of the Companies Act; and
- (d) the utilisation of the credits standing to the contributed surplus account of the Company within the meaning of the Companies Act after the event referred to in (c) above to offset the Accumulated Losses in full on the date the Capital Reorganisation becoming effective.

The Change of Domicile and the Capital Reorganisation involving the Capital Reduction and Share Subdivision are conditional upon satisfaction of the conditions precedent set out in the paragraphs headed “Conditions of the Change of Domicile” and “Conditions of the Capital Reorganisation” in the section headed “Proposed Change of Domicile and Capital Reorganisation”.

THE CB SUBSCRIPTION AGREEMENT

On 30 September 2009 after trading hours of the Stock Exchange, the Company entered into the CB Subscription Agreement with the Subscriber whereby the Company conditionally agreed to issue and the Subscriber conditionally agreed to subscribe for the Convertible Bonds in the principal amount of HK\$25,000,000.

If the Convertible Bonds are converted in full at the Conversion Price of HK\$0.05 per New Share, a total of 500,000,000 New Shares will be issued by the Company, which represent :

- (a) approximately 25.96% of the total issued share capital of the Company as at the date of this announcement;
- (b) approximately 20.61% of the total issued share capital of the Company as enlarged by the issue of the Conversion Shares in full; and
- (c) approximately 18.68% of the total issued share capital of the Company as enlarged by the issue of the Conversion Shares and the Option Shares in full.

Completion of the CB Subscription Agreement is conditional upon the satisfaction of the conditions set out in the paragraph headed “Conditions Precedent” under the section headed “The CB Subscription Agreement” in this announcement.

THE OPTIONS SUBSCRIPTION AGREEMENT

In addition, on 30 September 2009 after trading hours of the Stock Exchange, the Company entered into the Options Subscription Agreement with the Subscriber whereby the Company, in consideration of the Option Fee which is payable by the Subscriber upon Completion, conditionally agreed to grant to the Subscriber Options to subscribe for 250,000,000 Option Shares at the Options price during the Option Period.

If the Options are fully exercised at the Option Price of HK\$0.05 per New Share, a total of 250,000,000 New Shares will be issued by the Company, which represent:

- (a) approximately 12.98% of the total issued share capital of the Company as at the date of this announcement;
- (b) approximately 11.49% of the total issued share capital of the Company as enlarged by the issue of the Option Shares in full; and
- (c) approximately 9.34% of the total issued share capital of the Company as enlarged by the issue of the Option Shares and the Conversion shares in full.

Completion of the Options Subscription Agreement is conditional upon the satisfaction of the conditions set out in the paragraph headed "Conditions Precedent" under the section headed "The Options Subscription Agreement" in this announcement.

ADOPTION OF THE SHARE OPTION SCHEME

The Company currently does not have any share option scheme. To enable the Company to motivate more persons to make contribution to the Group and the Invested Entity and recruit additional talents to serve the Group and the Invested Entity in attaining the long term objectives of the Company, the Board considers that it is in the interest of the Company to adopt the Share Option Scheme. As such, a resolution will be proposed at the EGM for the adoption of the Share Option Scheme.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 2 October 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 7 October 2009.

PROPOSED CHANGE OF DOMICILE AND CAPITAL REORGANISATION

The Directors propose to change the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda, and subject to the completion of the Change of Domicile, to adopt a new memorandum of continuance and bye-laws in compliance with Bermuda law to replace the existing memorandum and articles of association of the Company.

The Directors also propose, upon the Change of Domicile becoming effective, to reorganise the capital of the Company in the following manner:

- (a) the reduction of the issued share capital of the Company through reducing the par value of each of the issued Existing Shares from HK\$0.10 each to HK\$0.01 each by canceling the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued Existing Shares so that the existing issued share capital of HK\$192,611,440.30 will be reduced by HK\$173,350,296.27 to HK\$19,261,144.03 comprising 1,926,114,403 New Shares of HK\$0.01 each;

- (b) the subdivision of each authorised but unissued Share of HK\$0.10 into 10 New Shares of HK\$0.01 each;
- (c) the transfer of the credit of HK\$173,350,296.27 arising from the Capital Reduction to the contributed surplus account of the Company within the meaning of the Companies Act; and
- (d) the utilisation of the credits standing to the contributed surplus account of the Company within the meaning of the Companies Act after the event referred to in (c) above to offset the Accumulated Losses in full on the date the Capital Reorganisation becoming effective.

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 Existing Shares of HK\$0.10 each, of which 1,926,114,403 Existing Shares have been issued and fully paid or credited as fully paid. As set out in the annual report of the Company for the year ended 31 March 2009 and on the assumption that there is no change in the issued share capital of the Company from the date of this announcement up to the date on which the Capital Reorganisation becoming effective, a credit of approximately HK\$173,350,296.27 will arise from the Capital Reduction and will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act. The amount of credit arising from the Capital Reduction will then be applied to set off against the Accumulated Losses, which amounted to approximately HK\$157,229,000 as at 31 March 2009.

As advised by the Legal Advisers, under Bermuda law, the amount standing to the credit of the contributed surplus account of the Company within the meaning of the Companies Act is a distributable reserve and the Company may apply the contributed surplus in any manner not prohibited by the Companies Act and the bye-laws of the Company and subject to compliance with the Companies Act and the bye-laws of the Company.

The Board also proposes to put forward to the Shareholders to approve the Authorisation, i.e. to authorise the Directors to apply the entire amount standing to the credit of the contributed surplus account of the Company within the meaning of the Companies Act in such manner as they consider appropriate, including but not limited to setting off against the Accumulated Losses, subject to compliance with the Companies Act and the bye-laws of the Company.

The issued New Shares will rank *pari passu* with each other in all respects, including the rights as to dividends, voting and return of capital. Other than the expenses incurred in relation to the Capital Reorganisation, its implementation will not in itself, alter the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders, save for any fractional New Shares will not be issued to individual Shareholders but will be aggregated and, if a premium (net of expenses) can be obtained, sold and retained for the benefit of the Company. The Capital Reorganisation itself will not have any material adverse effect of the financial position of the Group.

Set out below is a table summarising the effects of the Capital Reorganisation on the Company:

	As at the date of this announcement and before the Capital Reorganisation becoming effective (assuming no change in the issued share capital of the Company from the date of this announcement up to the date on which the Capital Reorganisation becomes effective)	Immediately after the Capital Reorganisation becoming effective
Nominal value of shares	HK\$0.10	HK\$0.01
Authorised share capital	HK\$500,000,000 divided into 5,000,000,000 Existing Shares	HK\$500,000,000 divided into 50,000,000,000 New Shares
Issued and fully paid up share capital or credited as fully paid up	HK\$192,611,440.30 divided into 1,926,114,403 Existing Shares	HK\$19,261,144.03 divided into 1,926,114,403 New Shares
Unissued share capital	HK\$307,388,559.70 divided into 3,073,885,597 Existing Shares	HK\$480,738,855.97 divided into 48,073,885,597 New Shares

Conditions of the Change of Domicile

The Change of Domicile is conditional upon:

- (a) the passing of the necessary special resolution by the Shareholders at the EGM to approve the Change of Domicile and the adoption of the new memorandum of continuance and bye-laws of the Company; and
- (b) compliance with the relevant procedures and requirements under the Cayman Islands laws, the Bermuda laws and the GEM Listing Rules.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (a) the passing of the necessary special resolution(s) by the Shareholders at the EGM to approve the Capital Reorganisation involving the Capital Reduction and the Share Subdivision;
- (b) the Change of Domicile becoming effective;

- (c) compliance with the relevant procedures and requirements under Bermuda laws and the GEM Listing Rules to effect the Capital Reorganisation; and
- (d) the GEM Listing Committee granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation.

The Change of Domicile is not conditional upon completion of the Capital Reorganisation. However, the Capital Reorganisation is conditional upon the Change of Domicile becoming effective. The Capital Reorganisation will be completed upon fulfilling all the conditions of Capital Reorganisation.

The Capital Reorganisation is not subject to any approval or consent from the Bermuda court under laws of Bermuda.

Reasons for the Change of Domicile and the Capital Reorganisation and impact on the Company and the Shareholders

(i) Reasons for Change of Domicile

The Change of Domicile is proposed to shorten the time required to effect the Capital Reorganisation. As advised by the Legal Advisers, if the Company is to proceed with the Capital Reorganisation in the Cayman Islands, the sanction of the Grand Court shall be required for the Capital Reduction. Subject to availability of the Grand Court, it may take four to six months to complete the Capital Reduction. The Board does not believe that such sanction can be obtained in a commercially expedient time frame. The Company has been advised by the Legal Advisers that the Capital Reorganisation may be effected in Bermuda without the sanction of the Grand Court or approval of the Supreme Court by way of the Change of Domicile from the Cayman Islands to Bermuda through de-registration in the Cayman Islands and continuation in Bermuda as an exempted company. The Legal Advisers also advised that no court order is required in the Cayman Islands or Bermuda for the Change of Domicile. The Change of Domicile will not alter the underlying assets, business operations, management or financial position of the Group nor the proportionate equity interests of the Shareholders. The continuation of the Company in Bermuda as an exempted company does not create a new legal entity or prejudice or affect the continuity of the Company. The head office of the Group will continue to be in Hong Kong. Also, the Change of Domicile will not involve the formation of a new holding company, the withdrawal of listing of existing securities, any issue of new securities, any transfer of assets of the Company or any change in the existing shareholding structure of the Company.

As court sanction is not required for the Change of Domicile in the Cayman Islands and Bermuda and for the Capital Reorganisation in Bermuda, the Board estimates the Capital Reorganisation and the Change of Domicile should be completed between eight to twelve weeks, estimated to be about two to three months earlier than it would otherwise be, if the Company were to proceed with the Capital Reduction in the Cayman Islands with sanction of the Grand Court. Implementation of the Change of Domicile will not affect the listing status of the Existing Shares on GEM.

As advised by the Legal Advisers, Shareholders will be required to approve by way of a special resolution to adopt the proposed memorandum of continuance (effective from the date that the memorandum of continuance is approved and registered by the Bermuda Registrar) and bye-laws (upon the continuance of the Company as an exempted company under the laws of Bermuda and effective from the date that the memorandum of continuance is registered by the Bermuda Registrar). After the passing of the special resolution at the EGM, the Company will make an application to continue as an exempted company in Bermuda. Upon obtaining such permission, applications will be made to the Cayman Registrar to have the Company de-registered in the Cayman Islands and to the Bermuda Registrar for registration of the Company in Bermuda. The Cayman Registrar will de-register the Company if the requirements of the Companies Law have been complied with. The Company will file the memorandum of continuance in Bermuda with the Bermuda Registrar. The memorandum of continuance will be deemed to be the new memorandum of association of the Company. Upon issuance by the Bermuda Registrar of the certificate of continuance, the Company will become a company to which the Companies Act and any other laws in Bermuda apply as if the Company had been incorporated in Bermuda on the date of the registration of the memorandum of continuance. The certificate of continuance will be deemed to be the certificate of incorporation of the Company. Upon approval by the Cayman Registrar of the application for de-registration, the Cayman Registrar will issue a certificate of de-registration.

(ii) *Reasons for the Capital Reorganisation*

The Capital Reorganisation involves the Capital Reduction and the Share Subdivision.

The nominal value of the Existing Shares is HK\$0.10. Under the laws of Bermuda, a company may not issue shares at a discount to the nominal value of such shares. Accordingly, the Directors propose the Capital Reduction and the Share Subdivision by which the nominal value of the Existing Shares will be reduced which allows a greater flexibility in the pricing for any issue of new shares in the future.

As mentioned above, the amount of credit arising from the Capital Reduction will be applied to set off against the Accumulated Losses. The Directors consider that it will facilitate the Company in restoring its ability to declare dividends in future if retained earnings are available, which in turn will facilitate the Company's negotiation with potential investors in respect of fund raising exercises through issue of New Shares in future.

The Directors (including the independent non-executive Directors) are of the view that the Capital Reorganisation will not have a material effect on the financial position of the Group. Other than the expenses to be incurred in relation to the Capital Reorganisation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders.

The Directors consider that the Change of Domicile and the Capital Reorganisation are in the interests of the Company and the Shareholders as a whole.

Further announcement in relation to the expected timetable for the Capital Reorganisation will be made by the Company as and when appropriate.

Application for listing of New Shares

Application will be made to the Stock Exchange for granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and all necessary arrangements will be made for the New Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.

EXPECTED TIMETABLE

2009

Despatch of the circular regarding, among other matters, the Change of Domicile, the Capital Reorganisation and notice of EGM.	on or before 27 October
Latest time for lodging the form of proxy for EGM	11:00 a.m., 17 November
EGM	11:00 a.m., 19 November
Publication of EGM results announcement	19 November

The following events are conditional on the fulfilment of the conditions for the implementation of the Change of Domicile and the Capital Reorganisation, the dates are therefore tentative:

Effective date for the Change of Domicile	on or around 10 December 2009
Effective date of the Capital Reorganisation	on or around 30 December 2009
Commencement of dealings in New Shares (On the next Business Day immediately after the effective date of the Capital Reorganisation)	on or around 31 December 2009

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above depends on the results of the EGM and are therefore for indicative purpose only. An announcement will be made regarding any changes to the expected timetable as and when appropriate.

WARNING

Shareholders and potential investors should also be aware of and take note that, the Change of Domicile, the Capital Reorganisation involving the Capital Reduction and Share Subdivision are conditional upon satisfaction of the conditions precedent set out in the paragraphs headed “Conditions of the Change of Domicile” and “Conditions of the Capital Reorganisation” in the section headed “Proposed Change of Domicile and Capital Reorganisation”. Therefore, the Change of Domicile and the Capital Reorganisation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares, and if they are in any doubt about their position, they should consult their professional advisers.

THE CB SUBSCRIPTION AGREEMENT

On 30 September 2009 after trading hours of the Stock Exchange, the Company entered into the CB Subscription Agreement with the Subscriber whereby the Company conditionally agreed to issue and the Subscriber conditionally agreed to subscribe for the Convertible Bonds in the principal amount of HK\$25,000,000.

The Subscriber is a company incorporated in British Virgin Islands with limited liability, which is wholly and beneficially owned by Mr. Chan Chun Kuen.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Subscriber and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons.

Principal terms of the Convertible Bonds

The terms of the Convertible Bonds have been negotiated on an arm's length basis and the principal terms of which are summarised below:

Principal amount:	HK\$25,000,000 in aggregate
Maturity Date:	The date falling the end of third year from the date of issue of the Convertible Bonds. Unless previously redeemed, converted or cancelled as provided in the CB Subscription Agreement pursuant to which the Convertible Bonds are to be issued, the Company shall redeem the outstanding principal amount of the Convertible Bonds on the maturity date
Interest rate:	The Convertible Bonds will carry interest at a rate of 2% per annum, payable in arrears half annually on 30 June and 31 December in each year
Conversion Period:	The period commencing from the date of issue of the Convertible Bond up to 4:00 p.m. (Hong Kong time) on the above-mentioned maturity date
Redemption:	The Convertible Bonds may not be redeemed by the Company before the abovementioned maturity date of the Convertible Bonds unless in an event of default
Transferability:	Any transfer of the Convertible Bonds to any connected person of the Company shall be subject to the requirements (if any) that the Stock Exchange may impose from time to time.

The Convertible Bonds are transferable in whole multiples of HK\$500,000 or such a lesser amount as may represent the entire outstanding principal amount thereof.

Conversion rights:

Holders of the Convertible Bonds will have the right to convert the Convertible Bonds, on whole or in part (in multiples of HK\$500,000), into the Conversion Shares at the Conversion Price during the conversion period provided that:

- (a) the aggregate shareholdings of such bondholder, its associates (as defined under the GEM Listing Rules) and parties acting in concert (as defined under the Takeovers Code) with it immediately after the issue of the Convertible Bonds shall not exceed 29% of the then issued share capital of the Company; and
- (b) the public float of the New Shares immediately after the issue of the Convertible Bonds and the Option Shares shall not be less than 25% (or any given percentage as required by the GEM Listing Rules) of the issued share capital of the Company at any one time in compliance with the GEM Listing Rules.

Conversion Price:

HK\$0.05 per Conversion Share, which is subject to adjustment for dilutive events, including:

- (a) subdivision, consolidation or reclassification of New Shares;
- (b) capital distribution to Shareholders;
- (c) an issue of New Shares by way of rights, or issue or grant to all or substantially all Shareholders to subscribe for or purchase any New Shares at a price which is less than 60% of the then current market price per Share on the last trading day preceding the date of the announcement of the terms of such issue or grant;
- (d) issue of any securities (other than New Shares or options and any securities convertible or exchangeable into the New Shares, warrants or other rights to subscribe or purchase New Shares) to all or substantially all Shareholders;
- (e) an issue of any New Shares or issue or grant of options, warrants or other rights to subscribe or purchase New Shares or securities convertible or exchangeable into New Shares at a price less than 60% of the then current market price per New Share on the last trading day preceding the date of the announcement of the terms of such issue or grant; and

- (f) the Company or (at the direction or request of or pursuant to any arrangements with the Company) any other person or entity shall issue any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, New Shares at a price less than 60% of the then current market price per New Share on the last trading day preceding the date of the announcement of the terms of such issue or grant.

Ranking of the Convertible Bonds:	The Convertible Bonds constitute a direct, unconditional, unsubordinated and unsecured obligation of the Company, ranking pari passu and rateably without preference among themselves, and with other direct, unconditional, unsubordinated and unsecured obligations of the Company
Ranking of the Conversion Shares:	The Conversion Shares, when allotted and issued, will be duly authorised and will be validly issued, credited as fully-paid and unencumbered and free and clear of any security interests, claims (including pre-emptive rights), liens or encumbrances and will be freely transferable and shall rank pari passu in all respects with all other New Shares then in issue
Voting:	The Convertible Bonds do not confer any voting rights at any meetings of the Company
Listing:	The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchanges

Deposit

A non-refundable deposit of HK\$2,500,000, which shall be applied for partial settlement of the subscription price of the Convertible Bonds on Completion, is payable by the Subscriber to the Company or its designated nominee within 5 Business Days upon signing of the CB Subscription Agreement.

Conditions Precedent

Completion of the CB Subscription Agreement is conditional upon the satisfaction of the following conditions:

- (a) the GEM Listing committee having granted listing of and permission to deal in the Conversion Shares;
- (b) if necessary, the Shareholders having approved the transactions contemplated in the CB Subscription Agreement and the issue of the Convertible Bonds and the issue and allotment of the Conversion Shares upon the exercise of the Conversion Rights or otherwise pursuant to the terms and conditions of the Convertible Bonds at a general meeting of the Shareholders;

- (c) the Capital Reorganisation becoming effective; and
- (d) the completion of the Options Subscription Agreement.

None of the conditions can be waived. If any of the above conditions (save for condition (d) which shall be fulfilled on the Completion Date) is not fulfilled by 28 February 2010 (or such other date as may be agreed by the Company and the Subscriber in writing), the rights and obligations of the Company and the Subscriber in respect of the subscription of the Convertible Bonds shall forthwith terminate and cease to have any effect.

The CB Subscription Agreement and the Options Subscription Agreement are inter-conditional on each other.

Completion of the CB Subscription Agreement shall take place within five Business Days immediately following the fulfillment of all the conditions (save for condition (d) which shall be fulfilled on Completion Date) simultaneously with completion of the Options Subscription Agreement.

Conversion Shares

If the Convertible Bonds are converted in full at the Conversion Price of HK\$0.05 per New Share a total of 500,000,000 New Shares will be issued by the Company, which represent :

- (a) approximately 25.96% of the total issued share capital of the Company as at the date of this announcement;
- (b) approximately 20.61% of the total issued share capital of the Company as enlarged by the issue of the Conversion Shares in full; and
- (c) approximately 18.68% of the total issued share capital of the Company as enlarged by the issue of the Conversion Shares and the Option Shares in full.

OPTIONS SUBSCRIPTION AGREEMENT

Date:	30 September 2009 (after trading hours of the Stock Exchange)
Parties:	The Company as the Grantor Golden Coach Limited as the Grantee
Option Fee:	HK\$2,500,000 being the total amount payable by the Grantee to the Grantor for the grant of the Options upon Completion
Option Period:	A period commencing on the date of grant of the Options and ending on the date falling the end of third year from the date of grant of the Options

Exercise of Option:	<p>An Option is exercisable provided that:</p> <ul style="list-style-type: none"> (a) the public float of the New Shares shall not be less than 25% (or any given percentage as required by the GEM Listing Rules) of the issued share capital of the Company at any one time in compliance with the GEM Listing Rules; and (b) the aggregate shareholdings of an option holder, its associates and parties acting in concert with it immediately after issue of the Option Shares shall not exceed 29% of the then issued share capital of the Company.
Transferability:	<p>The Options are transferable.</p> <p>Any transfer of the Options to any connected person of the Company shall be subject to the requirements (if any) that the Stock Exchange may impose from time to time.</p>
Option Price:	<p>HK\$0.05 per Option Share, which will be subject to adjustment if there is any alteration in the capital structure of the Grantor whether by way of capitalisation of profits or reserves, rights issues or open offer of Shares, consolidation or subdivision of Shares, reduction of the share capital of the Grantor or other events which have dilution effect save for certain circumstances as specified in the Options Subscription Agreement.</p>
Option Shares:	<p>250,000,000 Option Shares</p> <p>If the Options are fully exercised at the Option Price of HK\$0.05 per New Share, a total of 250,000,000 New Shares will be issued by the Company, which represent :</p> <ul style="list-style-type: none"> (a) approximately 12.98% of the total issued share capital of the Company as at the date of this announcement; (b) approximately 11.49% of the total issued share capital of the Company as enlarged by the issue of the Option Shares in full; and (c) approximately 9.34% of the total issued share capital of the Company as enlarged by the issue of the Conversion Shares and the Option Shares in full.
Ranking of the Option Shares:	<p>The Option Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the issued shares as at the date of allotment of the Option Shares.</p>

Conditions Precedent: The Options Subscription Agreement is conditional upon:

- (a) the GEM Listing committee having granted (subject only to usual conditions associated with the grant of option) listing of and permission to deal in the Option Shares;
- (b) if necessary, the Shareholders having approved the transactions contemplated in the Options Subscription Agreement and the issue of the Options and the issue and allotment of the Option Shares upon the exercise of the Options at a general meeting of the Shareholders;
- (c) the Capital Reorganisation becoming effective; and
- (d) the completion of the CB Subscription Agreement.

None of the conditions can be waived. If any of the above conditions (save for condition (d) which shall be fulfilled on the Completion Date) is not fulfilled by 28 February 2010 (or such other date as may be agreed by the Grantor and the Grantee in writing), the rights and obligations of the Grantor and the Grantee in respect of the subscription of the Options shall forthwith terminate and cease to have any effect.

The CB Subscription Agreement and the Options Subscription Agreement are inter-conditional on each other.

Completion of the Options Subscription Agreement shall take place within 5 Business Days immediately following the fulfillment or satisfaction of all the conditions (save for condition (d) which shall be fulfilled on Completion Date) simultaneously with completion of the CB Subscription Agreement.

THE CONVERSION PRICE AND THE OPTION PRICE

The Conversion Price is equivalent to the Option Price, which represents:

- (i) a premium of approximately 79% to the offer price in the recently completed mandatory general offer for the Existing Shares of HK\$0.028 per Existing Share;
- (ii) a premium of approximately 192% to the audited net assets value per Existing Share of approximately HK\$0.0171 as at 31 March 2009;
- (iii) a discount of approximately 54% to the closing price of the Existing Shares of HK\$0.108 as quoted on the Stock Exchange on 30 September 2009;

- (iv) a discount of approximately 54% to the average of the closing prices of approximately HK\$0.1078 per Existing Share for the five trading days of the Existing Shares up to and including 30 September 2009; and
- (v) a discount of approximately 57% to the average of the closing prices of approximately HK\$0.1172 per Existing Share for the ten trading days of the Existing Shares up to and including 30 September 2009.

The Conversion Price and the Option Price was determined after arm's length negotiations between the Company and the Subscriber. In determining the Conversion Price and the Option Price, the Company and the Subscriber have taken into consideration, among other things, the offer price in the recently completed mandatory general offer for the Existing Shares and the audited net assets value per Existing Share as at 31 March 2009. The Directors consider that the Conversion Price is fair and reasonable and in the interest of the Shareholders and the Company as a whole.

SPECIFIC MANDATES

The Conversion Shares and the Option Shares will be issued under specific mandate(s) proposed to be sought from the Shareholders at the EGM.

APPLICATION FOR LISTING

Application(s) will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares and the Option Shares on GEM.

REASONS FOR THE CB SUBSCRIPTION AND THE OPTIONS SUBSCRIPTION

The Group is principally engaging in the development and licensing of software and technology for use in connection with the provision of value-added telecommunication services in the PRC.

According to the audited results of the Company for the year ended 31 March 2009, the audited consolidated revenue and net loss of the Group amounted to approximately HK\$2,706,000 and HK\$47,822,000 respectively. According to the Company's first quarterly report for the three months ended 30 June 2009, the Group recorded an unaudited turnover of approximately HK\$781,000 and an unaudited loss of approximately HK\$2,589,000. The deterioration of the operating environment has affected the Group's business resulting in persistent negative cashflow and weakened the Group's financial position.

As stated in the offer document dated 1 September 2009 issued by the existing Controlling Shareholder, it will, among others, conduct a more detailed review on the operations of the Group with a view to developing a comprehensive corporate strategy to broaden the income stream of the Group. In the long-term spectrum, it will explore other business opportunities and consider whether any assets and/or business acquisitions by the Group will be appropriate in order to enhance its growth.

The gross and net proceeds from the granting of the Options and the issue of the Convertible Bonds (after deduction of expenses) are estimated to be approximately HK\$27.50 million and approximately HK\$26.0 million, respectively. The Directors consider that the issue of the Convertible Bonds represents an opportunity to raise additional capital for the Company and to strengthen its financial position. If the Options are exercised in full, the gross and net proceeds will be HK\$12.50 million and approximately HK\$12.40 million respectively, which will provide further source of finance for the Group's future use.

The Company intends to apply the net proceeds from the granting of the Options, issue of the Convertible Bonds and, if applicable, the issue of the Option Shares as general working capital and/or any other new investment project in the PRC which may be identified by the Company from time to time. The exact allocation of the net proceeds among the aforesaid proposed uses have not been fixed by the Company as at the date of this announcement.

FUND RAISING ACTIVITIES OF THE COMPANY

The following table summaries the capital raising activities of the Group for the 12 months up to the date of this announcement.

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
6 October 2009	Placing of 380,000,000 new Existing Shares at HK\$0.10 per Existing Share on a best effort basis under the Placing Agreement	Maximum HK\$37.2 million	As general working capital and/or any other new investment project in the PRC which may be identified by the Company from time to time	Not applicable, pending for completion

SHAREHOLDING STRUCTURE

Assuming no additional new Shares are issued by the Company, set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Capital Reorganisation becoming effective; and (iii) immediately after the Capital Reorganisation becoming effective and conversion of the Convertible Bonds at the initial Conversion Price in full; (iv) immediately after the Capital Reorganisation becoming effective and exercise of the Options at the initial Option Price in full; (v) immediately after the Capital Reorganisation becoming effective, conversion of the Convertible Bonds at the initial Conversion Price in full and exercise of the Options at the initial Option Price in full; and (vi) immediately after the Capital Reorganisation becoming effective, conversion of the Convertible Bonds at the initial Conversion Price in full, exercise of the Options at the initial Option Price in full and completion of the Placing;

Name	(i)		(ii)		(iii)		(iv)		(v)		(vi)			
	As at the date of this announcement	%	Immediately after the Capital Reorganisation	Number of New Shares	%	Immediately after : - the Capital Reorganisation; - conversion of the Convertible Bonds at the initial Conversion Price	Number of New Shares	%	Immediately after : - the Capital Reorganisation; - conversion of the Convertible Bonds at the initial Conversion Price in full; - exercise of the Options at the initial Option Price in full	Number of New Shares	%	Immediately after : - the Capital Reorganisation; - conversion of the Convertible Bonds at the initial Conversion Price in full; - exercise of the Options at the initial Option Price in full; completion of the Placing	Number of New Shares	%
Marvel Bonus Holdings Limited	1,234,715,251	64.10	1,234,715,251	64.10	1,234,715,251	50.89	1,234,715,251	56.74	1,234,715,251	46.14	1,234,715,251	40.40	1,234,715,251	40.40
The Subscriber	-	0.00	-	0.00	500,000,000	20.61	250,000,000	11.49	750,000,000	28.03	750,000,000	24.54	750,000,000	24.54
Public Shareholders	-	-	-	-	-	-	-	-	-	-	-	-	380,000,000	12.43
Placees	691,399,152	35.90	691,399,152	35.90	691,399,152	28.50	691,399,152	31.77	691,399,152	25.83	691,399,152	22.63	691,399,152	22.63
Other public	691,399,152	35.90	691,399,152	35.90	691,399,152	28.50	691,399,152	31.77	691,399,152	25.83	691,399,152	35.06	1,071,399,152	35.06
Total public	1,926,114,403	100.00	1,926,114,403	100.00	2,426,114,403	100.00	2,176,114,403	100.00	2,676,114,403	100.00	2,676,114,403	100.00	3,056,114,403	100.00
Total	1,926,114,403	100.00	1,926,114,403	100.00	2,426,114,403	100.00	2,176,114,403	100.00	2,676,114,403	100.00	2,676,114,403	100.00	3,056,114,403	100.00

Note: Marvel Bonus Holdings Limited is owned by Integrated Asset Management (Asia) Limited and Shanghai Assets (BVI) Limited in equal shares. Integrated Asset Management (Asia) Limited is wholly and beneficially owned by Mr. Yam Tak Cheung. Shanghai Assets (BVI) Limited is wholly and beneficially owned by Mr. Ting Pang Wan, Raymond.

ADOPTION OF THE SHARE OPTION SCHEME

The Company currently does not have any share option scheme. To enable the Company to motivate more persons to make contribution to the Group and the Invested Entity and recruit additional talents to serve the Group and the Invested Entity in attaining the long term objectives of the Company, the Board considers that it is in the interest of the Company to adopt the Share Option Scheme with broad categories of eligible participants, including full time and part time employee, consultant, adviser, agent, contractor, customer, supplier and shareholder of the Group and the Invested Entity. As such, a resolution will be proposed at the EGM for the adoption of the Share Option Scheme.

Further details of and a summary of the principal terms of the Share Option Scheme will be set out in the circular of the Company to be issued in relation thereto.

GENERAL

The Change of Domicile, the Capital Reorganisation, the adoption of the new memorandum of continuance and bye-laws will be conditional upon the passing by the Shareholders of special resolutions at the EGM whereas the issue of the Convertible Bonds, the grant of Options and the adoption of the Share Option Scheme will be conditional upon the passing of ordinary resolutions by the Shareholders at the EGM.

The EGM will be held to consider and, if thought fit, approve the resolutions in respect of the Change of Domicile, the Capital Reorganisation (involving the Capital Reduction and the Share Subdivision), adoption of the new memorandum of continuance and bye-laws, the issue of the Convertible Bonds, the grant of Options and the adoption of Share Option Scheme. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the resolutions to be proposed at the EGM.

A circular containing, amongst other things, further information on the Change of Domicile, the Capital Reorganisation, the adoption of the new memorandum of continuance and bye-laws, the CB Subscription Agreement, the Options Subscription Agreement and the Share Option Scheme and a notice to convene the EGM will be sent to the Shareholders as soon as practicable.

Since completion of the CB Subscription Agreement and the Options Subscription Agreement is subject to the satisfaction of a number of conditions precedent, as such Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 2 October 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 7 October 2009.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Accumulated Losses”	audited accumulated losses of the Company, which amounted to approximately HK\$157,229,000 as at 31 March 2009
“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“associates”	has the same meaning ascribed to it under the GEM Listing Rules
“Authorisation”	the proposed authorisation to the Directors to apply the entire amount standing to the credit of the contributed surplus account of the Company within the meaning of the Companies Act in such manner as they consider appropriate, including but not limited to setting off against the Accumulated Losses, subject to compliance with the Companies Act and the bye-laws of the Company
“Bermuda Registrar”	the Registrar of Companies in Bermuda
“Board”	the board of Directors
“Business Day”	a day (other than Saturday) on which banks in Hong Kong are generally open for business
“Capital Reduction”	the proposed reduction of issued share capital of the Company through reducing the par value of each of the issued Existing Shares from HK\$0.10 each to HK\$0.01 each by a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued Existing Shares so that the nominal value of each issued Existing Shares will be reduced from HK\$0.10 to HK\$0.01 after the Change of Domicile becoming effective
“Capital Reorganisation”	the Capital Reduction and the Share Subdivision
“Cayman Registrar”	the Registrar of Companies in the Cayman Islands
“CB Subscription”	subscription of the Convertible Bonds by the Subscriber in the principal amount of HK\$25,000,000

“CB Subscription Agreement”	the agreement dated 30 September 2009 entered by the Company with the Subscriber in respect of the CB Subscription
“Change of Domicile”	the proposed change of the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda
“Companies Act”	the Companies Act 1981 of Bermuda
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company” or “Grantor”	Rojam Entertainment Holdings Limited, a company incorporated in the Cayman Islands and will be re-domiciled and continued in Bermuda as an exempted company with limited liability, the issued Shares of which are listed on GEM
“Completion”	completion of the CB Subscription Agreement and the Options Subscription Agreement
“Completion Date”	date of completion of the CB Subscription Agreement and the Options Subscription Agreement
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Controlling Shareholder”	any person who is or group of persons who are together entitled to exercise or control the exercise of 30% or more of the voting power at general meetings of the Company or who is or are in a position to control the composition of a majority of the Board
“Conversion Price”	initial conversion price of the Convertible Bonds of HK\$0.05 per New Share (subject to adjustment)
“Conversion Share(s)”	New Share(s) of HK\$0.01 each to be issued by the Company upon exercise of the conversion rights attached to the Convertible Bonds by the holders thereof
“Convertible Bonds”	convertible bonds in the principal amount of HK\$25,000,000 due 3 years from the date of issue

“Deposit”	the non-refundable deposit of HK\$2,500,000 payable by the Subscriber pursuant to the CB Subscription Agreement
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Change of Domicile, the Capital Reorganisation, adoption of the new memorandum of continuance and bye-laws, the CB Subscription Agreement and the Options Subscription Agreement, the grant of the Options and the adoption of the Share Option Scheme.
“Existing Shares”	existing shares of HK\$0.10 each in the share capital of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange responsible for the GEM listing matters
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Grand Court”	the Grand Court of the Cayman Islands
“Grantee” or “Subscriber”	Golden Coach Limited, a company incorporated in British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Chan Chun Kuen
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined under the GEM Listing Rules)
“Invested Entity”	any entity in which the Group holds any equity interest
“Legal Advisers”	Conyers, Dill & Pearman, the Company’s legal advisers as to the laws of the Cayman Islands and Bermuda
“New Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“Options”	the right to subscribe for the Option Shares during the Option Period

“Option Period”	a period commencing on the date of grant of the Options and ending on the date falling the end of third year from the date of grant of the Options
“Option Price”	HK\$0.05 per Option Share (subject to adjustment)
“Option Shares”	250,000,000 Shares falling to be issued upon exercise of the Options
“Options Subscription Agreement”	the agreement dated 30 September 2009 entered into between the Grantor and the Grantee in relation to the grant of the Options
“Placees”	the placees of the placement under the Placing Agreement
“Placing Agreement”	the placing agreement dated 5 October 2009 entered into by the Company and a placing agent for the placement of 380,000,000 new Existing Shares on a best effort basis, the details of which were set out in another announcement of the Company dated 6 October 2009
“PRC”	the People’s Republic of China
“Share(s)”	the Existing Share(s) or the New Share(s), as the case may be
“Share Option Scheme”	the new share option scheme proposed to be adopted by the Company
“Share Subdivision”	the proposed subdivision of each authorised but unissued Existing Share of HK\$0.10 into 10 New Shares of HK\$0.01 each
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supreme Court”	the Supreme Court of Bermuda
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By the order of the Board
Rojam Entertainment Holdings Limited
Etsuko Hoshiyama
Executive Director

Hong Kong, 6 October 2009

As at the date of this announcement, the board of directors comprises three executive directors, namely Ms. Etsuko Hoshiyama, Mr. Chan Chi Ming, Alvin, and Mr. Luk Hong Man, Hammond, and two independent non-executive directors, namely Mr. Zhang Xi and Mr. Chan Chi Yuen.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.rojam.com.