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Madex International (Holdings) Limited

盛明國際(控股)有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 231)

**CLARIFICATION ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2014**

Reference is made to the annual report (the “**Annual Report**”) of Madex International (Holdings) Limited (the “**Company**”) for the year ended 31 December 2014 published on the website of The Stock Exchange of Hong Kong Limited on 29 April 2015. Unless otherwise defined, capitalised terms used in this announcement have the same meanings as defined in the Annual Report.

Further to the information disclosed in the Annual Report, the Company wishes to provide shareholders of the Company (the “**Shareholders**”) and the public with the following supplementary information.

USE OF PROCEEDS FROM PLACING OF CONVERTIBLE BONDS

On page 3 of the Annual Report under the “Business Review” Section, it was stated that a placing of convertible bonds was conducted during the year, and an aggregate principal amount of HK\$261,500,000 had been successfully placed. The net proceeds from the placing were approximately HK\$254,300,000. The funding exercise was to pave way for the Group’s new investment and as general working capital.

The Company wishes to further disclose that on 7 October 2014, the Company entered into a placing agreement with the placing agent pursuant to which the placing agent has conditionally agreed to procure, on a best effort basis, not less than six placees (who and whose ultimate beneficial owners are independent third parties) to subscribe in cash for the convertible bonds of up to an aggregate principal amount of not more than HK\$412,000,000. Based on the initial conversion price of HK\$0.183 (net price HK\$0.176), a maximum number of 2,251,366,120 conversion shares could be allotted and issued upon exercise of the conversion rights attaching to the convertible bonds in full. The aggregate nominal value of the 2,251,366,120 conversion shares was HK\$112,568,306 as at the date of the Annual Report. The market price of the conversion shares as at 7 October 2014, being the date on which the terms of the issue were fixed, was HK\$427,759,563.

The Directors consider that the issue of the convertible bonds is an appropriate means of raising additional capital for the Company since (i) they will not have an immediate dilution effect on the shareholding of the existing Shareholders; and (ii) if the conversion rights attaching to the convertible bonds are exercised, the shareholder base of the Company will be enlarged and the financial position of the Group will be improved for establishing and strengthening the existing and future business of the Group.

As at the date of the Annual Report, the net proceeds from the placing of approximately HK\$254,300,000 has been used as follows:

- i) approximately HK\$37 million has been paid for a refundable tendering deposit in respect of the acquisition of a property located in Zhuhai;
- ii) HK\$107 million has been paid to the vendor of a discloseable and connected transaction as a refundable deposit (please refer to an announcement of the Company dated 13 November 2014) ;
- iii) approximately HK\$37 million has been used to repay bank loans and the related bank loan interest; and
- iv) the remaining balance will be used as general working capital.

SHARE OPTION SCHEME

The Company wishes to further disclose that the total number of securities available for issue under the Scheme was 1,184,264,739 shares, representing 8.67% of the issued shares of the Company as at the date of the Annual Report.

By Order of the Board
Madex International (Holdings) Limited
Liang Huixin
Executive Director

Hong Kong, 7 August 2015

As at the date of this announcement, the Board comprises Mr. Zhang Guodong and Ms. Liang Huixin as executive directors; Mr. Marco Theodorus Nijssen as non-executive director; and Dr. Dong Ansheng, Mr. Hung Hing Man and Mr. Hong Sze Lung as independent non-executive directors.