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INNO-TECH HOLDINGS LIMITED
匯 創 控 股 有 限 公 司 *

(incorporated in Bermuda with limited liability)

(Stock Code: 8202)

- (1) PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS AND THE CONVERTIBLE NOTES;**
(2) MAJOR AND CONNECTED TRANSACTION – PROPOSED SETTLEMENT OF THE CONVERTIBLE BONDS AND THE CONVERTIBLE NOTES BY ISSUANCE OF SHARES UNDER SPECIFIC MANDATE;
(3) PROPOSED SHARE CONSOLIDATION;
(4) PROPOSED OPEN OFFER ON THE BASIS OF TWENTY FIVE OFFER SHARES FOR EVERY CONSOLIDATED SHARE HELD ON THE RECORD DATE;
(5) PROPOSED MAJOR DISPOSAL OF A SUBSIDIARY;
AND
(6) RESUMPTION OF TRADING

PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS AND THE CONVERTIBLE NOTES

The Company will issue notices of meetings to holders of the Placing CB and the Convertibles Notes on 28 April 2014, and the meetings to be held on 14 May 2014 to consider the Proposed Amendments set out in the CB Amendment Deed and the CN Amendment Deeds respectively. The Proposed Amendments are to amend the terms and conditions of the Placing CB and the Convertible Notes so as to enable the Company to early redeem the outstanding principal amounts of the Placing CB and the Convertible Notes before the respective maturity dates at the average redemption amount equal to 24.3% of the principal amounts then outstanding to be satisfied by the issue and allotment of the Settlement Shares at an issue price of HK\$2.22 each, assuming that the Share Consolidation has become effective.

* For identification purpose only

According to Rule 22.03 of the GEM Listing Rules, any alteration in the terms of convertible equity securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible equity securities. Accordingly, the Company will apply to the Stock Exchange for the approval of the Proposed Amendments to the Placing CB and the Convertible Notes.

MAJOR AND CONNECTED TRANSACTION – PROPOSED SETTLEMENT OF THE CONVERTIBLE BONDS AND THE CONVERTIBLE NOTES BY ISSUANCE OF SHARES UNDER SPECIFIC MANDATE

Subject to the Proposed Amendments becoming effective, the Board proposes to redeem the outstanding Placing CB and the outstanding Convertible Notes in full at the average redemption amount equal to 24.3% of the principal amounts then outstanding to be satisfied by the issue and allotment of the Settlement Shares at an issue price of HK\$2.22 each, assuming that the Share Consolidation has become effective.

Assuming the Proposed Amendments have become effective and there is no conversion of the Convertible Notes held by Carraway Holdings Limited, a substantial shareholder of the Company principally engaged in the business of investment holding, from the date of this announcement to the date of early redemption by the Company, Carraway Holdings Limited will receive 18,700,000 Settlement Shares for final settlement of the Convertible Notes held by it when the Company early redeems the Convertible Notes. Besides, as one of the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules in respect of the issue and allotment of Settlement Shares to Carraway Holdings Limited is more than 25% but less than 100%, the issue and allotment of Settlement Shares to Carraway Holdings Limited under the Specific Mandate constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules. Accordingly, the issue and allotment of the Settlement Shares to Carraway Holdings Limited under the Specific Mandate constitutes a major and connected transaction for the Company under Chapter 19 and Chapter 20 of the GEM Listing Rules. Pursuant to Rule 19.33 and Rule 20.17 of the GEM Listing Rules, the Specific Mandate is subject to the reporting, announcement and the CT Independent Shareholders' approval requirements.

The Settlement Shares will be issued and allotted pursuant to the Specific Mandate to be obtained at the SGM. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Settlement Shares.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.10 each.

The Share Consolidation is subject to the approval of an ordinary resolution passed by the Shareholders at the SGM. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares.

PROPOSED OPEN OFFER ON THE BASIS OF TWENTY FIVE OFFER SHARES FOR EVERY CONSOLIDATED SHARE HELD ON THE RECORD DATE

Subject to the Share Consolidation becoming effective, the Company proposes to raise not less than approximately HK\$145.2 million (before expenses) and not more than approximately HK\$278.1 million (before expenses) by way of an open offer of not less than 675,266,925 Offer Shares and not more than 1,293,640,550 Offer Shares at a subscription price of HK\$0.215 per Offer Share on the basis of twenty five (25) Offer Shares for every one (1) Consolidated Share held on the Record Date.

The estimated net proceeds from the Open Offer will be not less than approximately HK\$134.7 million. The Board intends to apply the net proceeds from the Open Offer in the following manner:

- (i) as to HK\$16.0 million for the early partial settlement of the outstanding Promissory Notes;
- (ii) as to approximately HK\$68.3 million for paying the licence fee for the Group's bus advertising business and acquiring more television airtime for scaling up the Group's existing business of advertising through television airtime;
- (iii) as to approximately HK\$20.4 million for the settlement of the outstanding indebtedness owed to financial institutions;
- (iv) as to approximately HK\$5.0 million for financing the operation of the Redgate Ventures Group;
and
- (v) as to approximately HK\$25.0 million for general working capital.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfer of Shares or Consolidated Shares must be lodged for registration with the Registrar by no later than 4:30 p.m. on Tuesday, 10 June 2014. The register of members of the Company is expected to be closed from Wednesday, 11 June 2014 to Tuesday, 17 June 2014 (both dates inclusive) to determine the eligibility of the Shareholders to the Open Offer.

The Open Offer is fully underwritten by the Underwriter, who shall enter into sub-underwriting agreements with sub-underwriters to ensure that the Company will maintain the minimum public float requirement in compliance with the GEM Listing Rules. The terms of the Underwriting Agreement are agreed after arm's length negotiation between the Company and the Underwriter.

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 extreme caution when dealing in the Shares and Consolidated Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares and Consolidated Shares will be dealt in on an entitlement basis commencing from Monday, 9 June 2014 and that dealing in Shares and Consolidated Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares and Consolidated Shares up to the date on which all conditions to which the Open Offer are subject are fulfilled (which is expected to be at 4:00 p.m. on Friday, 4 July 2014), 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 and Consolidated Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

MAJOR DISPOSAL OF A SUBSIDIARY

On 25 April 2014 (after trading hours of the Stock Exchange), the Company and the Purchaser entered into the Sale and Purchase Agreement pursuant to which the Company conditionally agreed to sell and the Purchaser conditionally agreed to acquire the Sale Shares at a consideration of HK\$500,000.

As one of the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major disposal for the Company under Chapter 19 of the GEM Listing Rules, and is therefore subject to the requirements of reporting, announcement and Shareholders' approval.

GENERAL

The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Proposed Amendments, the issue and allotment of the Settlement Shares under the Specific Mandate, the Share Consolidation, the Open Offer, the Disposal and the transactions contemplated thereunder.

Pursuant to Rule 19.33 and Rule 20.17 of the GEM Listing Rules, the Specific Mandate is subject to the reporting, announcement and the CT Independent Shareholders' approval requirements. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no connected person of the Company other than Carraway Holdings Limited has a material interest in the Specific Mandate. Therefore, no Shareholder other than Carraway Holdings Limited is required to abstain from voting in respect of the resolution for approving the Specific Mandate at the SGM.

Pursuant to Rule 10.39 of the GEM Listing Rules, any controlling shareholders and their associates, or where there are no controlling shareholders, directors (excluding independent non-executive Directors) and the chief executive and their respective associates shall abstain from voting in favour of the Open Offer. To the best of the Company's information and belief after having made reasonable enquiries, as at the date of this announcement, the Company has no controlling shareholder and none of the Directors, chief executive and their respective associates are Shareholders. Accordingly, no Shareholder is required to abstain from voting in relation to the Open Offer at the SGM. In addition, no Shareholder is required to abstain from voting in relation to the Proposed Amendments, the Share Consolidation, the Disposal and the transactions contemplated thereunder at the SGM.

The Independent Board Committee will be established to advise (i) the CT Independent Shareholders as to whether the terms of the Specific Mandate are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to advise the CT Independent Shareholders on how to vote in relation to the Specific Mandate at the SGM and (ii) the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote in relation to the Open Offer at the SGM. An independent financial adviser will be appointed to advise (i) the Independent Board Committee and the CT Independent Shareholders as to whether the terms of the Specific Mandate are fair and reasonable and (ii) to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable.

A circular containing, among other matters, (i) further details of the Proposed Amendments, the issue and allotment of the Settlement Shares under the Specific Mandate, the Share Consolidation, the Open Offer and the Disposal; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the independent financial adviser; and (iv) a notice of the SGM will be despatched to Shareholders on or before Tuesday, 20 May 2014 in compliance with the GEM Listing Rules.

Upon passing of the necessary resolutions by the Shareholders (and, in the case of the Open Offer, the Independent Shareholders) at the SGM approving the Share Consolidation and the Open Offer, the Prospectus Documents setting out the details of the Open Offer will be despatched to the Qualifying Shareholders as soon as practicable.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 1:00 p.m. on Wednesday, 23 April 2014 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, 28 April 2014.

PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS AND THE CONVERTIBLE NOTES

Reference is made to the announcements of the Company dated 21 July 2011, 30 December 2011, 21 February 2012, 2 April 2012, 29 June 2012 and 31 July 2012 in relation to, among other matters, the Acquisition of the entire issued share capital of Redgate Ventures Limited by the Company and the placing of the Placing CB. The Convertible Notes were issued as partial consideration for the Acquisition.

Pursuant to the terms and conditions of the Placing CB, the Company may, at any time during the period commencing from the beginning of the fourth month from the issue date, i.e. 31 August 2012, up to the maturity date, having given not less than thirty (30) days' notice (which notices shall be irrevocable) to the bondholders, redeem the Placing CB then outstanding in integral multiple of HK\$1,000,000 on the date specified in the redemption notice at 100% of the outstanding principal amount of the Placing CB to be redeemed. Any modification to the terms and conditions of the Placing CB may be effect only by deed poll, executed by the Company and expressed to be supplemental thereto, and only if it shall first have been sanctioned by a special resolution of the bondholders.

Pursuant to the terms and conditions of the Convertible Notes, the Company shall not be entitled to early redeem the Convertible Notes before the respective maturity dates unless an event of default as specified in the terms and conditions occurs. The terms and conditions of the Convertible Notes may be varied, expanded or amended by agreement in writing between the Company and a noteholder, holding, or noteholders together holding, at least 51% of the then outstanding principal amount of the Convertible Notes.

The Proposed Amendments

The Company will issue notices of meetings to holders of the Placing CB and the Convertibles Notes on 28 April 2014, and the meetings to be held on 14 May 2014 to consider the Proposed Amendments set out in the CB Amendment Deed and the CN Amendment Deeds respectively. The Proposed Amendments are to amend the terms and conditions of the Placing CB and the Convertible Notes so as to enable the Company to early redeem the outstanding principal amounts of the Placing CB and the Convertible Notes before the respective maturity dates, being 29 August 2014 and 31 August 2015 respectively, at the average redemption amount equal to 24.3% of the principal amounts then outstanding to be satisfied by the issue and allotment of the Settlement Shares at an issue price of HK\$2.22 each, assuming that the Share Consolidation has become effective.

Each of the Amendment Deeds will be executed in accordance with the requirements set out in the terms and conditions of the Placing CB or the Convertible Notes (as the case may be) after being approved at the meeting of the holders of the Placing CB or the Convertible Notes (as the case may be) to be held on 14 May 2014.

Save for the amendments as disclosed above, all other terms and conditions of the Placing CB and the Convertible Notes as described in the announcement of the Company dated 21 July 2011 remain unchanged.

Conditions Precedent of the Amendment Deeds

Each of the Amendment Deeds is conditional on the fulfillment of the following conditions:

- (a) the holders of the Placing CB or the Convertible Notes (as the case may be) at a meeting of the bondholders or the noteholders (as the case may be) approving the Proposed Amendments and the relevant amended and restated instrument by way of an ordinary resolution or, in the case of the Placing CB, by way of a special resolution;
- (b) the Shareholders approving the Proposed Amendments under the relevant Amendment Deed, the adoption of the relevant amended and restated instrument and the issue and allotment of the Settlement Shares under the Specific Mandate by way of ordinary resolutions at the SGM;
- (c) the Stock Exchange approving the Proposed Amendments;
- (d) the execution of the relevant amended and restated instrument by the Company upon obtaining the approvals under (a), (b) and (c) above;

- (e) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Settlement Shares which may fall to be issued pursuant to the exercise of the conversion rights under the outstanding Placing CB and the outstanding Convertible Notes in full;
- (f) the Share Consolidation becoming effective; and
- (g) the Open Offer becoming unconditional.

If any of the conditions above is not fulfilled on or before 31 August 2014, the provisions of the Amendment Deeds shall from such date cease to have any further force and effect and none of the parties to Amendment Deeds shall have any claim against each other.

According to Rule 22.03 of the GEM Listing Rules, any alterations in the terms of convertible equity securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible equity securities. Accordingly, the Company will apply to the Stock Exchange for the approval of the Proposed Amendments to the Placing CB and the Convertible Notes.

Reasons for the Proposed Amendments

The Proposed Amendments to allow early redemption at the average redemption amount equal to 24.3% of the outstanding principal amounts of the Placing CB and the Convertible Notes by issue and allotment of the Settlement Shares at an issue price of HK\$2.22 per Settlement Share were arrived at after arm's length negotiation between the Company and each of the holders of the Placing CB and the Convertible Notes, having taken into account the following considerations:

- (i) The early redemption right provides the Company with more flexibility to restructure its capital and gearing position and improve its financial position as and when appropriate;
- (ii) The total impairment loss in respect of the goodwill and intangible assets of Redgate Ventures Group amounts to approximately HK\$1,360,915,000 for the year ended 30 June 2013, representing approximately 83% of the consideration for the acquisition of the Redgate Ventures Group by the Group in August 2012. The impairment loss was due to the unsatisfactory performance of the outdoor advertising on billboards and outdoor display spaces business and television advertisements business of the Redgate Ventures Group caused by, among other things, (i) the increasingly stringent regulatory and tensely competitive environment of the advertising industry in the PRC and (ii) the Group's strategy to suspend its original business plan to participate in outdoor advertising and media advertisement cooperation projects; and

- (iii) The Proposed Amendments allow holders of the Placing CB and the Convertible Notes to receive more Consolidated Shares than they are allowed to convert under the existing terms and conditions of the Placing CB and the Convertible Notes. This enables the holders of the Placing CB and the Convertible Notes to take up more Consolidated Shares and to participate in the future growth and development of the Group.

Having considered the above, the Directors (including the independent non-executive Directors) consider that the terms of each of the Amendment Deeds are fair and reasonable, and the entering into of each of the Amendment Deeds is in the interests of the Group and the Shareholders as a whole.

MAJOR AND CONNECTED TRANSACTION – PROPOSED SETTLEMENT OF THE CONVERTIBLE BONDS AND THE CONVERTIBLE NOTES BY ISSUANCE OF SHARES UNDER SPECIFIC MANDATE

Subject to the Proposed Amendments becoming effective, the Board proposes to redeem the outstanding Placing CB and the outstanding Convertible Notes in full at the average redemption amount equal to 24.3% of the principal amounts then outstanding to be satisfied by the issue and allotment of the Settlement Shares at an issue price of HK\$2.22 each with reference to the closing price of shares on the Last Trading Day, assuming that the Share Consolidation has become effective.

As at the date of this announcement, the Placing CB amounting to HK\$37,000,000 and the Convertible Notes amounting to approximately HK\$821,398,003 were outstanding. Assuming the Share Consolidation becoming effective and upon full redemption of all outstanding Placing CB and all outstanding Convertible Notes, the number of the Settlement Shares to be issued and allotted by the Company shall be 93,969,182 Settlement Shares.

Assuming the Proposed Amendments have become effective and there is no conversion of the Convertible Notes held by Carraway Holdings Limited, a substantial shareholder of the Company principally engaged in the business of investment holding, from the date of this announcement to the date of early redemption by the Company, Carraway Holdings Limited will receive 18,700,000 Settlement Shares for final settlement of the Convertible Notes held by it when the Company early redeems the Convertible Notes. Besides, as one of the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules in respect of the issue and allotment of Settlement Shares to Carraway Holdings Limited is more than 25% but less than 100%, the issue and allotment of Settlement Shares to Carraway Holdings Limited under the Specific Mandate constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules. Accordingly, the issue and allotment of the Settlement Shares to Carraway Holdings Limited under the Specific Mandate constitutes a major and connected transaction for the Company under Chapter 19 and Chapter 20 of the GEM Listing Rules. Pursuant to Rule 19.33 and Rule 20.17 of the GEM Listing Rules, the Specific Mandate is subject to the reporting, announcement and the CT Independent Shareholders' approval requirements.

The Settlement Shares will be issued and allotted pursuant to the Specific Mandate to be obtained at the SGM. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Settlement Shares.

SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.10 each.

Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Based on the closing price of HK\$0.222 per Share as quoted on the Stock Exchange on the Last Trading Day, the theoretical market value of each board lot of Consolidated Shares would be HK\$2.220.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective and those Consolidated Shares which may fall to be issued pursuant to (i) the exercise of the Share Options and (ii) the exercise of the conversion rights under the Placing CB and the Convertible Notes.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$300,000,000 divided into 30,000,000,000 Shares of HK\$0.01 each, of which 270,106,785 Shares of HK\$0.01 each have been allotted and issued as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective and on the basis that no further Shares will be allotted and issued (including Shares to be allotted and issued upon exercise of the outstanding Share Options and the conversion rights under the outstanding Placing CB and the outstanding Convertible Notes) or repurchased prior thereto, the authorised share capital of the Company shall become HK\$300,000,000 divided into 3,000,000,000 Consolidated Shares of HK\$0.10 each, of which 27,010,677 Consolidated Shares of HK\$0.10 each will be in issue.

As at the date of this announcement, there are (i) outstanding Share Options granted under the Share Option Scheme entitling the holders thereof to subscribe for up to an aggregate of 62,143 outstanding Shares, and (ii) outstanding Placing CB in the aggregate principal amount of HK\$37,000,000 which are convertible into 9,736,842 Shares and outstanding Convertible Notes in the aggregate principal amount of HK\$821,398,003 which are convertible into 237,550,477 Shares. Save as disclosed, the Company has no outstanding options, convertible securities or warrants which confer the right to subscribe for Shares or Consolidated Shares.

The Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Company's memorandum and bye-laws upon the Share Consolidation becoming effective.

Other than the expenses to be incurred in relation to the Share Consolidation, 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.

Conditions Precedent of the Share Consolidation

The Share Consolidation is conditional on:

- (a) the Shareholders approving the Share Consolidation by way of ordinary resolution(s) at the SGM;
- (b) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Consolidated Shares in issue as at the date of the SGM and those Consolidated Shares which may fall to be issued pursuant to (i) the exercise of all outstanding Share Options and (ii) the exercise of the conversion rights under the outstanding Placing CB and the outstanding Convertible Notes; and
- (c) the compliance with the relevant procedures and requirements under Bermuda law (where applicable) and the GEM Listing Rules to effect the Share Consolidation.

Reasons for the Share Consolidation

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting its securities. In view of the recent trading price of the Shares, the Board proposes to effect the Share Consolidation in order to comply with the trading requirements of the GEM Listing Rules.

The Share Consolidation will increase the nominal value of the Shares. It is expected that the Share Consolidation would bring about a corresponding upward adjustments in the trading price of the Consolidated Shares on the Stock Exchange and the Board believes that it may attract more investors and extend the shareholders base of the Company. The Board therefore believes that the Share Consolidation is in the interests of the Company and its Shareholders as a whole.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint an agent to provide matching services for sale and purchase of odd lots of Consolidated Shares at the relevant market price per Consolidated Share for Shareholders, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot matching arrangement will be set out in the circular to be despatched by the Company to the Shareholders. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not warranted. Any Shareholder, who is in any doubt about the odd lot arrangement, is recommended to consult his/her/its own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is expected to be on Friday, 6 June 2014, being the business day immediately after the date of the SGM, the certificates for existing Shares (which are in red color) will cease to be valid for trading and settlement purposes after 4:00 p.m. on 11 July 2014. Shareholders may during normal business hours, on or after 6 June 2014 until 15 July 2014 (both days inclusive) submit share certificates for existing Shares (which are in red color) to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for share certificates of the Consolidated Shares (which are in gold color), on the basis of ten (10) existing Shares for one (1) Consolidated Share. It is expected that the new certificates for the Consolidated Shares will be available for collection within 10 business days after the submission of the existing share certificate (which are in red color) to the Company's branch share registrar in Hong Kong for exchange. Thereafter, certificates of existing Shares will remain effective as documents of title but will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) per certificate issued or cancelled, whichever is higher, payable by Shareholders.

Board Lot Size

The current board lot size for trading in the Shares on the Stock Exchange is 10,000 Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain at 10,000 Consolidated Shares.

Adjustments in relation to the outstanding Share Options

As at the date of this announcement, there are outstanding Share Options granted under the Share Option Scheme entitling the holders thereof to subscribe for up to an aggregate of 62,143 outstanding Shares. The Share Consolidation may cause adjustments to the exercise price of the outstanding Share Options and/or the number of Consolidated Shares to be allotted and issued upon exercise of the outstanding Share Options. The Company will notify the holders of the Share Options regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme of the Company and the GEM Listing Rules.

Adjustments in relation to the outstanding Placing CB and Convertible Notes

As at the date of this announcement, there are outstanding Placing CB in the aggregate principal amount of HK\$37,000,000 which are convertible into 9,736,842 Shares and outstanding Convertible Notes in the aggregate principal amount of HK\$821,398,003 which are convertible into 237,550,477 Shares. If the Share Consolidation becomes effective, corresponding adjustments to the conversion prices of the Placing CB and/or the Convertible Notes and/or conversion of the outstanding Placing CB and/or outstanding Convertible Notes will be made in accordance with the terms of the Placing CB and the Convertible Notes. The Company will make a further announcement about the adjustments.

The Company will appoint its auditor to review and certify that the bases of such adjustments to the outstanding Share Options, Placing CB and Convertible Notes comply with Chapter 23 of the GEM Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange.

Save as disclosed above, the Company has no other outstanding options, warrants or other securities convertible into or giving rights to subscribe for Shares or Consolidated Shares, as the case may be.

PROPOSED OPEN OFFER

Issue statistics

Basis of the Open Offer: Twenty five (25) Offer Shares for every Consolidated Share held on the Record Date

Subscription Price: HK\$0.215 per Offer Share

Number of Shares in issue as at the date of this announcement: 270,106,785 Shares

Number of Consolidated Shares in issue immediately upon the Share Consolidation having become effective (assuming no further Shares will be allotted and issued (including Shares to be allotted and issued upon exercise of the outstanding Share Options and the conversion rights under the outstanding Placing CB and the outstanding Convertible Notes) or repurchased prior to the Share Consolidation): 27,010,677 Consolidated Shares

Number of Offer Shares: Not less than 675,266,925 Offer Shares (assuming there is no new Shares and/or Consolidated Shares issued by the Company and there is no Shares and/or Consolidated Shares being repurchased by the Company from the date of this announcement to the Record Date)

Not more than 1,293,640,550 Offer Shares (assuming (i) the outstanding Share Options being exercised in full and (ii) the outstanding Placing CB and the outstanding Convertible Notes being converted in full, on or before the Record Date.)

The aggregate nominal value of the Offer Shares will not be less than approximately HK\$145.2 million and not more than approximately HK\$278.1 million

Number of Consolidated Shares in issue immediately upon completion of the Open Offer:	Not less than 702,277,602 and not more than 1,345,386,172 Consolidated Shares
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As at the date of this announcement,

1. there are outstanding Share Options to subscribe for an aggregate of 62,143 Shares or 6,214 Consolidated Shares. Assuming full exercise of the subscription rights attaching to the outstanding Share Options on or before the Record Date, an additional 155,350 Offer Shares will be issued;
2. there are (i) outstanding Placing CB in the aggregate principal amount of HK\$37,000,000 which are convertible into 9,736,842 Shares or 973,684 Consolidated Shares at the conversion price of HK\$3.80 per Share or HK\$38 per Consolidated Share (subject to adjustments); and (ii) outstanding Convertible Notes in the aggregate principal amount of HK\$821,398,003 which are convertible into 237,550,477 Shares or 23,755,047 Consolidated Shares at the average conversion price of HK\$3.46 per Share or HK\$34.60 per Consolidated Share (subject to adjustments). Assuming full exercise of the conversion rights attaching to the Placing CB and the Convertible Notes on or before the Record Date, an additional 618,218,275 Offer Shares will be issued; and
3. the maximum number of Offer Shares that may be issued under the Open Offer would be 1,293,640,550. Save for the outstanding Share Options, the outstanding Placing CB and the outstanding Convertible Bonds, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares or Consolidated Shares.

The Open Offer is fully underwritten by the Underwriter, who shall enter into sub-underwriting agreements with sub-underwriters to ensure that the Company will maintain the minimum public float requirement in compliance with the GEM Listing Rules. The terms of the Underwriting Agreement are agreed after arm's length negotiation between the Company and the Underwriter.

The Offer Shares

Assuming no outstanding Share Options, Placing CB and Convertible Bonds will be exercised or converted (as the case may be) and there will not be further issue of new Shares and/or Consolidated Shares and/or repurchase of Shares and/or Consolidated Shares on or before the Record Date, 675,266,925 Offer Shares will be issued and allotted representing approximately 2,500% of the issued share capital of the Company immediately after the Share Consolidation and approximately 96.2% of the issued share capital of the Company as enlarged by the Offer Shares.

Assuming all outstanding Share Options, Placing CB and Convertible Bonds will be exercised or converted (as the case may be) and there will not be further issue of new Shares and/or Consolidated Shares and/or repurchase of Shares and/or Consolidated Shares on or before the Record Date, 1,293,640,550 Offer Shares will be issued and allotted representing approximately 4,789.4% of the issued share capital of the Company immediately after the Share Consolidation and approximately 96.2% of the issued share capital of the Company as enlarged by the Offer Shares.

Subscription Price

The Subscription Price of HK\$0.215 per Offer Share will be payable in full upon application by a Qualifying Shareholder. The Subscription Price represents:

- (a) a discount of approximately 90.3% to the closing price of HK\$2.220 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (b) a discount of approximately 89.3% to the average closing price of approximately HK\$2.012 per Consolidated Share for the last 5 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (c) a discount of approximately 88.7% to the average closing price of approximately HK\$1.903 per Consolidated Share for the last 10 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation; and
- (d) a discount of approximately 26.4% to the theoretical ex-entitlement price (assuming there is no new Shares and/or Consolidated Shares issued by the Company and there is no Shares and/or Consolidated Shares being repurchased by the Company from the date of this announcement to the Record Date) of approximately HK\$0.292 per Consolidated Share based on the closing price of HK\$2.22 per Share as quoted on the Stock exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the market price of the Shares under the prevailing market conditions and the financial position of the Group. As all Qualifying Shareholders are entitled to subscribe for the Offer Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date, the Directors (excluding the independent non-executive Directors who will form their views after consulting the independent financial adviser to be appointed by the Independent Board Committee) consider that the discount of the Subscription Price would encourage the Qualifying Shareholders to take up their entitlements so as to maintain their shareholdings in the Company and participate in the future growth of the Group. The Directors (excluding the independent non-executive Directors who will form their views after consulting the independent financial adviser to be appointed by the Independent Board Committee) consider the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Open Offer

The Open Offer is conditional upon the fulfillment of the following conditions:

- (a) the passing of the necessary resolutions at the SGM (i) by the Shareholders to approve the Proposed Amendments and the Share Consolidation; (ii) by the CT Independent Shareholders to approve the issue and allotment of the Settlement Shares under the Specific Mandate; and (iii) by the Independent Shareholders to approve the Open Offer and the transactions contemplated thereunder by no later than the Prospectus Posting Date;
- (b) holders of the Placing CB and the Convertible Notes at meetings of the bondholders and the noteholders respectively approving the Proposed Amendments in accordance with the terms of the relevant instruments creating the same;
- (c) the Share Consolidation becoming effective;
- (d) the filing and registration of the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;
- (e) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of, and permission to deal in, the Consolidated Shares and the Offer Shares by no later than the Prospectus Posting Date;
- (f) the Underwriting Agreement not being terminated or rescinded by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination;

- (g) 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;
- (h) there being no Specified Event occurred prior to the Latest Time for Termination;
- (i) there being no breach of the undertakings and obligations of the Company under the terms of the Underwriting Agreement;
- (j) there being no breach of the undertakings and obligations of the Underwriter under the terms of the Underwriting Agreement; and
- (k) the Disposal having been completed.

The conditions set out in paragraphs (a) to (g) above are incapable of being waived by the Underwriter and the Company. The Underwriter may waive the conditions set out in paragraphs (h), (i) and (k) in whole or in part by written notice to the Company. The Company may waive the condition set out in paragraph (j) in whole or in part by written notice to the Underwriter.

If the conditions are not satisfied and/or waived in whole or in part by the Underwriter by the Latest Time for Acceptance (or the relevant dates set out in the Underwriting Agreement) or such other date and time as the Underwriter may agree with the Company in writing, the Underwriting Agreement shall terminate (save in respect of the provisions regarding the Underwriter’s costs and out-of-pocket expense, indemnity, notices and governing law and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) and no party will have any claim against any other party for cost, damages, compensation or otherwise.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully-paid, will rank *pari passu* with the Consolidated Shares then in issue in all respects. Holders of such Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid with a record date which falls on or after the date of allotment and issue of the Offer Shares. Dealings in the Offer Shares, which are registered in the register of members of the Company in Hong Kong, will be subject to payment of stamp duty and other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The Open Offer will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information only, to the Excluded Shareholders.

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (together with the relevant share certificates) with the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Tuesday, 10 June 2014.

Closure of register of members

The Company's register of members will be closed from Wednesday, 11 June 2014 to Tuesday, 17 June 2014, both dates inclusive, for the purpose of, among other things, establishing entitlements to the Open Offer. No transfer of Shares will be registered during this period.

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.

In compliance with Rule 17.41 of the GEM Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, based on legal advice, the Directors consider that it is necessary or expedient not to issue the Offer Shares to the Overseas Shareholders 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, the Open Offer will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus containing, among other things, details of the Open Offer, to be despatched to the Qualifying Shareholders on the Prospectus Posting Date. The Company will send copies of the Prospectus to the Excluded Shareholders for their information only, but will not send any application form to them.

Overseas Shareholders should note that they may or may not be entitled to the Open Offer. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

No Application for excess Offer Shares

No Qualifying Shareholder is entitled to apply for any Offer Shares which are in excess to his/her/its entitlement. Any Offer Shares not taken up by the Qualifying Shareholders, and the Offer Shares to which the Excluded Shareholders would otherwise have been entitled under the Open Offer, will not be available for subscription by other Qualifying Shareholders by way of excess application and will be taken up by the Underwriter.

The Directors hold the view that the Open Offer allows the Qualifying Shareholders to maintain their respective pro rata shareholding in the Company and to participate in the future growth and development of the Group. After arm's length negotiations with the Underwriter, and taking into account that the related administration costs would be lowered in the absence of excess applications, the Directors consider that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole not to offer any excess application to the Shareholders.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to subscribe or procure subscription for the Offer Shares which have not been taken up by the Qualifying Shareholders.

Fractions of Offer Shares

The Company will not issue fractional entitlements to the Offer Shares. All fractions of Offer Shares will be aggregated and rounded down to the nearest whole number and will be sold in the market. If a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s) for its benefit.

Share certificates for the Offer Shares

Subject to the fulfillment of the conditions of the Open Offer, share certificates for all Offer Shares are expected to be posted to the Qualifying Shareholders who have accepted and applied for and paid for the Offer Shares on or before Friday, 11 July 2014 by ordinary post at their own risk. If the Open Offer is terminated, refund cheques are expected to be posted on or before Friday, 11 July 2014 by ordinary post to the applicants at their own risk.

Application for listing of the Offer Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange.

Subject to the granting of 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 commencement dates of dealings in 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.

All necessary arrangements will be made to enable the Offer Shares to be admitted into CCASS.

Dealings in the Offer Shares which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Reasons for the Open Offer and the use of proceeds

The Group is principally engaged in outdoor advertising industry and media advertisements business in the PRC.

The estimated expense of the Open Offer is approximately HK\$10.5 million, which will be borne by the Company. Assuming all the Qualifying Shareholders taking up their entitlements under the Open Offer, the Company will receive gross proceeds of approximately HK\$134.7 million (assuming no further Shares and/or Consolidated Shares are issued or repurchased on or prior to the Record Date) and the estimated net proceeds of the Open Offer will be approximately HK\$278.1 million. The Company intends to apply such net proceeds from the Open Offer in the following manner:

- (i) as to HK\$16.0 million for the early partial settlement of the outstanding Promissory Notes;
- (ii) as to approximately HK\$68.3 million for paying the licence fee for the Group's bus advertising business and acquiring more television airtime for scaling up the Group's existing business of advertising through television airtime;
- (iii) as to approximately HK\$20.4 million for the settlement of the outstanding indebtedness owed to financial institutions;
- (iv) as to approximately HK\$5.0 million for financing the operation of the Redgate Ventures Group; and
- (v) as to approximately HK\$25.0 million for general working capital.

The net Subscription Price of each Offer Share is approximately HK\$0.200 after deduction of all costs and expenses.

The Directors consider that the Open Offer will enable the Group to enhance its financial position through strengthening its capital base and settling its outstanding indebtedness owed to financial institutions. The Open Offer will also provide the Group with readily available funds to further develop and expand its existing television advertising business by acquiring more television airtime in the PRC so as to enable the Group to leverage on the increasing demand for launching quality and effective TV advertising campaigns in the PRC. Besides, the Open Offer will also provide the Group with resources to meet the financial needs to maintain its existing operations. Further, the Open Offer will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and participate in the growth and development of the Company. Accordingly, the Directors

(excluding the independent non-executive Directors who will form their views after consulting the independent financial adviser to be appointed by the Independent Board Committee) consider that fund raising through the Open Offer is in the interests of the Company and the Shareholders as a whole.

The Board has considered other fund raising alternatives before resolving to the Open Offer, including but not limited to rights issue. Although rights issue can provide a way out to those Independent Shareholders who do not wish to take up the entitlements by selling nil-paid rights, rights issue will involve extra administrative work and cost for the trading arrangements in relation to the nil-paid rights. In addition, in view of the relatively inactive historical trading volume of the Shares, there is uncertainty of the existence of a market to trade the nil-paid entitlements. In view of the above, the Board (excluding the independent non-executive Directors who will form their views after consulting the independent financial adviser to be appointed by the Independent Board Committee) considered that raising funds by way of the Open Offer is more cost effective and efficient and beneficial to the Company and its Shareholders as a whole than a rights issue.

Underwriting Agreement

Date:	25 April 2014 (after trading hours of the Stock Exchange)
Underwriter:	Convoy Investment Services Limited, to the best of the Directors' knowledge and information, the Underwriter and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons
Number of Offer Shares underwritten:	Not less than 675,266,925 Offer Shares (assuming there is no new Shares and/or Consolidated Shares issued by the Company and there is no Shares and/or Consolidated Shares being repurchased by the Company from the date of this announcement to the Record Date) not taken up by the Qualifying Shareholders Not more than 1,293,640,550 Offer Shares (assuming (i) the outstanding Share Options being exercised in full and (ii) the outstanding Placing CB and the outstanding Convertible Notes being converted in full, on or before the Record Date.) not taken up by the Qualifying Shareholders

Underwriting commission: 3% of the aggregate Subscription Price of the maximum amount of Offer Shares agreed to be underwritten by the Underwriter. The commission rate was determined after arm's length negotiations between the Company and the Underwriter with reference to the market rate, and the Board considers (excluding the independent non-executive Directors who will form their views after consulting the independent financial adviser to be appointed by the Independent Board Committee) that the underwriting commission rate is fair and reasonable and in the interests of the Company and the Shareholders as a whole

The terms of the Underwriting Agreement are agreed after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Open Offer, and the current and expected market condition. The Directors (excluding the independent non-executive Directors who will form their views after consulting the independent financial adviser to be appointed by the Independent Board Committee) consider that the terms of the Underwriting Agreement are fair and reasonable so far as the Company and the Shareholders are concerned.

As at the date of this announcement, the Board had not received any information or irrevocable undertaking from its substantial Shareholder of its intention to take up its assured entitlements under the Open Offer.

Conditions of the Underwriting Agreement

The conditions of the Underwriting Agreement have been set out in the section headed "Proposed Open Offer – Conditions of the Open Offer" above.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (1) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new 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 reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer after the signing of the Underwriting Agreement; 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 after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement), of a political, military, financial, economic or other nature, 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 reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any materially adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of the Group as a whole; or
 - (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement which would, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (e) the commencement by any third party of any litigation or claim against any member of the Group after the signing of the Underwriting Agreement which, in the reasonable opinion of the Underwriter, is or might be material to the Group taken as a whole; or
 - (f) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares or Consolidated Shares (as the case may be) generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (2) there is any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of the Underwriting Agreement includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which, in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Open Offer; or

- (3) the Circular, the Prospectus and all amendments and supplements thereto when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may, in the reasonable opinion of the Underwriter, be material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer,

the Underwriter shall be entitled, by notice in writing to the Company served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter 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 or undertakings of the Company contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

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

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

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structures of the Company as at the date of this announcement and up to immediately after completion of the Open Offer and issuance of the Settlement Shares:

Scenario 1:

Assuming no further issue of new Shares or Consolidated Shares or repurchase of Shares or Consolidated Shares on or before the Record Date:

Shareholder	As at the date of this announcement		Immediately after the Share Consolidation becoming effective but before completion of the Open Offer		Immediately after (i) the Share Consolidation becoming effective and (ii) completion of the Open Offer assuming that all Offer Shares are taken up by the Qualifying Shareholders		Immediately after (i) the Share Consolidation becoming effective and (ii) completion of the Open Offer assuming that (a) no Offer Shares are taken up by the Qualifying Shareholders and (b) the Underwriter, sub-underwriters and subscribers procured by them take up the Offer Shares to the maximum extent		Immediately after (i) the Share Consolidation becoming effective, (ii) completion of the Open Offer assuming that all Offer Shares are taken up by the Qualifying Shareholders and (iii) the issuance of the Settlement Shares		Immediately after (i) the Share Consolidation becoming effective, (ii) completion of the Open Offer assuming that (a) no Offer Shares are taken up by the Qualifying Shareholders and (b) the Underwriter, sub-underwriters and subscribers procured by them take up the Offer Shares to the maximum extent and (iii) the issuance of the Settlement Shares		
	Approximate	Approximate	Approximate	Approximate	Approximate	Approximate	Approximate	Approximate	Approximate	Approximate	Approximate	Approximate	
	Number of Shares	% of the total issued Shares	Number of Consolidated Shares	% of the total issued Shares	Number of Consolidated Shares	% of the total issued Shares	Number of Consolidated Shares	% of the total issued Shares	Number of Consolidated Shares	% of the total issued Shares	Number of Consolidated Shares	% of the total issued Shares	Number of Consolidated Shares
Carroway Holdings Limited	28,178,946	10.43%	2,817,894	10.43%	73,265,244	10.43%	2,817,894	0.40%	73,265,244	9.28%	2,817,894	0.35%	
Holders of outstanding													
Placing CB	-	-	-	-	-	-	-	-	3,700,000	0.46%	3,700,000	0.46%	
Holders of outstanding													
Convertible Notes													
- Carraway Holdings Limited	-	-	-	-	-	-	-	-	18,700,000	2.35%	18,700,000	2.35%	
- Others	-	-	-	-	-	-	-	-	71,569,182	8.99%	71,569,182	8.99%	
Sub-total	-	-	-	-	-	-	-	-	90,269,182	11.34%	90,269,182	11.34%	
Underwriter, sub-underwriters and subscribers procured by them	-	-	-	-	-	-	675,266,925	96.15%	-	-	675,266,925	84.81%	
Public shareholders	241,927,839	89.57%	24,192,783	89.57%	629,012,358	89.57%	24,192,783	3.44%	629,012,358	79.00%	24,192,783	3.04%	
	<u>270,106,785</u>	<u>100.00%</u>	<u>27,010,677</u>	<u>100.00%</u>	<u>702,277,602</u>	<u>100.00%</u>	<u>702,277,602</u>	<u>100.00%</u>	<u>796,246,784</u>	<u>100.00%</u>	<u>796,246,784</u>	<u>100.00%</u>	

Scenario 2:

Assuming Shares or Consolidated Shares issued pursuant to the exercise in full of the subscription rights or conversion rights attached to the outstanding Share Options, Placing CB and Convertible Notes on or before the Record Date and no other issue of Shares or Consolidated Shares:

Shareholder	As at the date of this announcement		Immediately after the outstanding Share Options, the outstanding Placing CB and the outstanding Convertible Notes being exercised and converted in full but before the Share Consolidation has become effective		Immediately after (i) the outstanding Share Options, the outstanding Placing CB and the outstanding Convertible Notes being exercised and converted and (ii) the Share Consolidation becoming effective but before completion of the Open Offer		Immediately after (i) the outstanding Share Options, the outstanding Placing CB and the outstanding Convertible Notes being exercised and converted, (ii) the Share Consolidation becoming effective and (iii) completion of the Open Offer assuming that all Offer Shares are taken up by the Qualifying Shareholders		Immediately after (i) the outstanding Share Options, the outstanding Placing CB and the outstanding Convertible Notes being exercised and converted, (ii) the Share Consolidation becoming effective and (iii) completion of the Open Offer assuming that (a) no Offer Shares are taken up by the Qualifying Shareholders and (b) the Underwriter, sub-underwriters and subscribers procured by them take up the Offer Shares to the maximum extent	
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Consolidated Shares	Percentage	Number of Consolidated Shares	Percentage	Number of Consolidated Shares	Percentage
Carroway Holdings Limited	28,178,946	10.43%	28,178,948	5.45%	2,817,894	5.45%	73,265,244	5.45%	2,817,894	0.21%
Holders of outstanding Placing CB	-	-	9,736,842	1.88%	973,684	1.88%	25,315,784	1.88%	973,684	0.07%
Holders of outstanding Convertible Notes										
- Carraway Holdings Limited	-	-	49,210,526	9.51%	4,921,052	9.51%	127,947,352	9.51%	4,921,052	0.37%
- Others	-	-	188,339,951	36.40%	18,833,995	36.40%	489,683,870	36.40%	18,833,995	1.40%
Sub-total	-	-	237,550,478	45.91%	23,755,047	45.91%	617,631,222	45.91%	23,755,047	1.77%
Holders of outstanding Share Options	-	-	62,143	0.01%	6,214	0.01%	161,564	0.01%	6,214	0.00%
Underwriter, sub-underwriters and subscribers procured by them	-	-	-	-	-	-	-	-	1,293,640,550	96.15%
Public shareholders	241,927,839	89.57%	241,927,837	46.75%	24,192,783	46.75%	629,012,358	46.75%	24,192,783	1.80%
	<u>270,106,785</u>	<u>100.00%</u>	<u>517,456,248</u>	<u>100.00%</u>	<u>51,745,622</u>	<u>100.00%</u>	<u>1,345,386,172</u>	<u>100.00%</u>	<u>1,345,386,172</u>	<u>100.00%</u>

Note: The Underwriter confirmed to the Company that it has sub-underwritten its underwriting obligations under the Underwriting Agreement to sub-underwriters such that each of the Underwriter, the sub-underwriters and the subscribers procured by them (i) will be a third party independent of, not acting in concert with and will not be connected with, the Directors, chief executive or substantial Shareholders of the Company or their respective associates; and (ii) will not, together with party(ies) acting in concert with each of them, hold in aggregate 30% or more of the voting rights of the Company upon completion of the Open Offer. The Underwriter further confirmed that (a) the Underwriter will and will cause the sub-underwriters to procure independent subscribers to take up such number of Offer Shares as necessary to ensure that the public float requirements under Rule 11.23(7) of the GEM Listing Rules are complied with immediately after the Open Offer; and (b) each of the Underwriter and the sub-underwriters and their respective ultimate beneficial owners are not connected persons of the Company.

Warning of the risks of dealing in Shares and Consolidated 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 extreme caution when dealing in the Shares and Consolidated Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares and Consolidated Shares will be dealt in on an entitlement basis commencing from Monday, 9 June 2014 and that dealing in Shares and Consolidated Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares and Consolidated Shares up to the date on which all conditions to which the Open Offer are subject are fulfilled (which is expected to be at 4:00 p.m. on Friday, 4 July 2014), 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 and Consolidated Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

EXPECTED TIMETABLE FOR THE SHARE CONSOLIDATION AND THE OPEN OFFER

Event	2014
Despatch of circular with notice of SGM and related proxy form	Tuesday, 20 May
Latest time for lodging transfers of Share in order to qualify for attendance and voting at the SGM	4:30 p.m., Wednesday, 28 May
Register of members closes to determine the eligibility for attendance and voting at the SGM (both dates inclusive)	Thursday, 29 May to Thursday, 5 June
Latest time for lodging proxy form of SGM.	10:30 a.m., Tuesday, 3 June
Record date for attendance and voting at the SGM	Thursday, 5 June

SGM	10:30 a.m., Thursday, 5 June
Announcement of results of the SGM	Thursday, 5 June
Register of members re-opens	Friday, 6 June
Effective date of the Share Consolidation	Friday, 6 June
First day for free exchange of existing share certificates for new share certificates	Friday, 6 June
Commencement of dealings in the Consolidated Shares.....	9:00 a.m., Friday, 6 June
Original counter for trading in Shares in board lots of 10,000 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m., Friday, 6 June
Temporary counter for trading in Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m., Friday, 6 June
Last day of dealings in the Consolidated Shares on a cum-entitlement basis	Friday, 6 June
First day of dealings in the Consolidated Shares on an ex-entitlement basis.....	Monday, 9 June
Latest time for lodging transfers of the Consolidated Shares in order to be qualified for the Open Offer	4:30 p.m., Tuesday, 10 June
Register of members closes to determine the eligibility of the Open Offer (both dates inclusive).....	Wednesday, 11 June to Tuesday, 17 June
Record date for the Open Offer	Tuesday, 17 June
Register of members re-opens	Wednesday, 18 June
Despatch of the Prospectus documents.....	Wednesday, 18 June

Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares.	Friday, 20 June
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (only new certificates for the Consolidated Shares can be traded at the counter) re-opens	9:00 a.m., Friday, 20 June
Parallel trading in the Consolidated Shares (in the form of both existing certificates and new certificates) commences	9:00 a.m., Friday, 20 June
Latest time for payment for and acceptance of the Open Offer	4:00 p.m., Thursday, 3 July
Latest time for termination of the Underwriting Agreement/the Open Offer becomes unconditional.	4:00 p.m., Friday, 4 July
Announcement of the allotment results	Thursday, 10 July
Despatch of share certificates for fully-paid Offer Shares and refund cheques.	Friday, 11 July
Temporary counter for trading in Consolidated Shares in board lots of 1,000 Consolidated Shares (in form of existing share certificates) closes	4:00 p.m., Friday, 11 July
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	4:00 p.m., Friday, 11 July
Parallel trading in the Consolidated Shares (in the form of both existing and new certificates) ends	4:00 p.m., Friday, 11 July
First day of dealings in the Offer Shares	9:00 a.m., Monday, 14 July
Free exchange of existing share certificates for new share certificates ends	Tuesday, 15 July

All times and dates in this announcement refer to Hong Kong local times and dates. Shareholders should note that the dates or deadlines specified in the expected timetable of the Share Consolidation and the Open Offer as set out above, and in other parts of this announcement, are indicative only and may be extended or varied. In the event that any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
3 December 2013	Placing of 38,383,688 new Shares under general mandate	Approximately HK\$6.60 million	General working capital of the Group	<p>HK\$1.3 million used for professional fee;</p> <p>HK\$3 million used for development PRC business operations;</p> <p>HK\$2.1 million used as administrative expenses; and the remaining balance of approximately HK\$0.2 million has not yet been utilized</p>
24 September 2013	Placing of 30,000,000 new Shares under general mandate	Approximately HK\$5.68 million	General working capital of the Group	<p>HK\$1 million used for settling the short-term borrowing;</p> <p>HK\$2.2 million used for professional fee;</p> <p>HK\$2.48 million used as administrative expenses</p>

Conditions of the Sale and Purchase Agreement

Completion is conditional upon the fulfillment of the following conditions:

- (a) the passing of the necessary resolutions at the SGM to approve (i) the Sale and Purchase Agreement and the transactions contemplated thereunder and (ii) the Proposed Amendments by Shareholders permitted to vote on the relevant resolutions under the GEM Listing Rules;
- (b) completion of the legal, tax and financial due diligence review of the business, affairs, operation and financial position of the Redgate Ventures Group and the due incorporation of, the valid existence of and the power and capacity to carry on the business by the Redgate Ventures Group to the satisfaction of the Purchaser;
- (c) the obtaining of all necessary approvals, authorisations or consents in Hong Kong, the BVI, Bermuda, the PRC or elsewhere in relation to the transactions contemplated under the Sale and Purchase Agreement (if necessary);
- (d) the warranties given by the Company as set out in the Sale and Purchase Agreement remaining true and accurate in all respects and not misleading in any respect as of the Completion Date by reference to the facts and circumstances subsisting as at the Completion Date; and
- (e) the completion of the Reorganisation.

The Purchaser may at any time before Completion waive the conditions precedent (b) and (d) above at its sole discretion.

If any of the conditions precedent has not been fulfilled (or, as the case may be, waived by the Company) by 31 August 2014, the Sale and Purchase Agreement and everything contained therein shall, subject to the liability of any party to the others in respect of any breaches antecedent thereto, automatically terminate and be null and void and of no effect and the parties shall be released from all obligations thereunder.

Completion

Completion shall take place on the Completion Date.

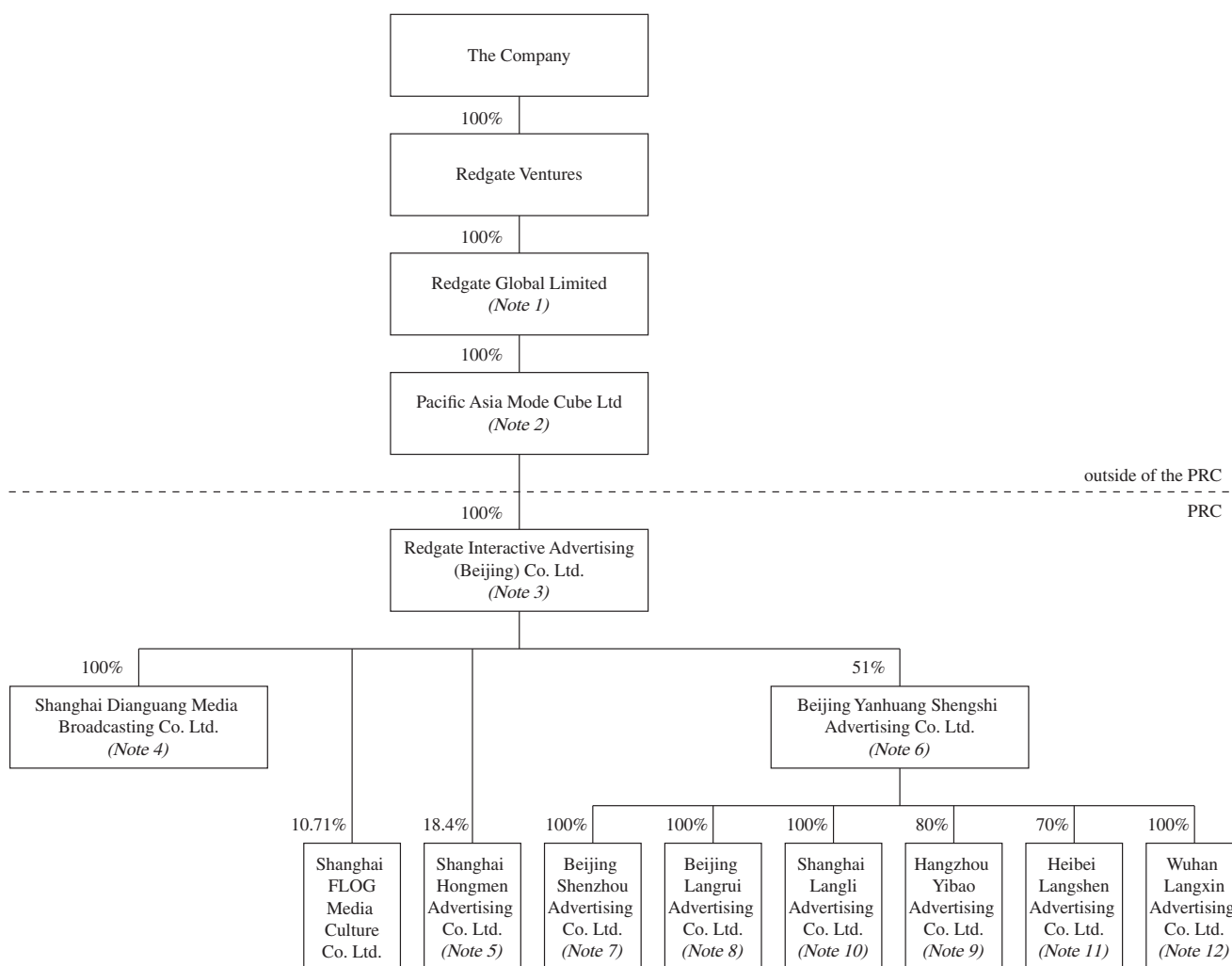
Information on the Redgate Ventures Group after Reorganisation

Redgate Ventures was incorporated in the BVI with limited liability on 14 October 2010 and is principally engaged in investment holding. As at the date of this announcement, Redgate Ventures is wholly owned by the Company.

The Redgate Ventures Group is a diversified media company in China primarily providing advertising and advertising agency services through an integrated cross-media platform that enables advertisers to conduct multiple-channel marketing campaigns targeting higher-income demographics. The Redgate Ventures Group commenced its operations in 2003. The outdoor advertising network of the Redgate Ventures Group consists of a commercial billboard and display network in China with a significant presence in Beijing.

The Redgate Ventures Group maintains a portfolio of assets in outdoor in key metropolitan markets, such as Beijing, Shanghai, Hangzhou and Wuhan. The outdoor advertising network of the Redgate Ventures Group provides various media formats typically located along major traffic arteries and in other high visibility locations in China.

The following is the structure chart of the Redgate Ventures Group (as at the date of this announcement):



Notes:

1. Redgate Global Limited was incorporated in the BVI with limited liability on 21 September 2005 and is principally engaged in investment holding.
2. Pacific Asia Mode Cube Limited (“**Pacific Asia Mode**”) was incorporated in Hong Kong with limited liability on 30 September 2002 and is principally engaged in investment holding.
3. Redgate Interactive Advertising (Beijing) Co. Ltd. (“**Redgate Interactive**”) is a wholly foreign owned enterprise established in the PRC on 21 December 2006. Its scope of business is design, production, agency, broadcasting of advertisements from mainland and oversea investors. It has a registered capital of US\$11,000,000 and is wholly owned by Pacific Asia Mode.
4. Shanghai Dianguang Media Broadcasting Company Ltd. (“**Shanghai Dianguang**”) is a limited liability company established in the PRC on 27 November 2001. Its scope of business is design, production, agency, broadcasting of all kinds of advertisements, wholesaling of advertising gifts, arts and crafts (except gold and silver). It has a registered capital of RMB5,000,000 which is wholly owned by Redgate Interactive. After Reorganisation, Shanghai Dianguang will be transferred to Jade Phoenix Holdings Limited, a directly wholly owned subsidiary of the Company.
5. Shanghai Hongmen Advertising Co. Ltd. (“**Shanghai Hongmen**”) is a limited liability company established in the PRC on 9 June 2004. Its scope of business is design, production, agency, broadcasting of all kinds of advertisements, graphic production, corporate image planning and design. It has a registered capital of RMB7,850,964 and is owned as to 18.354% by Redgate Interactive.
6. Beijing Yanhuang Shengshi Advertising Co. Ltd. (“**Beijing Yanhuang**”) is a company established in the PRC on 19 April 2000. Its scope of business is design, productions, agency, broadcasting of advertisements from mainland and oversea investors; undertaking of exhibition and demonstration activities; organizing cultural and arts exchange activities (excluding performance). It has a registered capital of RMB5,000,000 and is owned as to 51% by Redgate Interactive. Beijing Yanhuang is interested in 100%, 100%, 100%, 80%, 70% and 80% of Beijing Shenzhou Advertising Co. Ltd. (“**Beijing Shenzhou**”), Beijing Langrui Advertising Co. Ltd. (“**Beijing Langrui**”), Shanghai Langli Advertising Co. Ltd. (“**Shanghai Langli**”), Hangzhou Yibao Advertising Co. Ltd. (“**Hangzhou Yibao**”), Hebei Langshen Advertising Co. Ltd. (“**Hebei Langshen**”) and Wuhan Langxin Advertising Co. Ltd. (“**Wuhan Langxin**”) respectively.
7. Beijing Shenzhou is a limited liability company established in the PRC on 1 March 2001. Its scope of business is design, production, agency, broadcasting is advertisements from mainland and overseas investors. It has a registered capital of RMB500,000 and is wholly owned by Beijing Yanhuang.
8. Beijing Langrui is a limited liability company established in the PRC on 16 March 2006. Its scope of business is agency, broadcasting of advertisements, design of pictures and articles by computer, undertaking exhibition and demonstrating activities, conference services, organizing cultural and arts exchange activities, television and video planning, public relation services. It has a registered capital of RMB500,000 and is wholly owned by Beijing Yanhuang.

9. Hangzhou Yibao is a limited liability company established in the PRC on 30 June 2008. Its scope of business is services; design, production, agency, broadcasting of mainland advertisements, undertaking exhibitions, consultation of economic information (exception securities and futures); wholesaling and retailing; department store. It has a registered capital of RMB1,000,000 and is owned as to 80% by Beijing Yanhuang.
10. Shanghai Langli is a limited liability company established in the PRC on 8 March 2005. Its scope of business is design, production, agency, broadcasting of all kinds of advertisements, business information consultation, corporate image planning, market and sales planning, exhibition services, public relations consultation, corporate culture consultation, cultural and arts exchange planning (except agent), internet design, production of pictures and articles, photo shooting service, computer network engineering (except special approval), research and development of computer softwares and hardwares, sale of office and cultural items, arts and crafts, advertising materials. It has a registered capital of RMB500,000 and is wholly owned by Beijing Yanhuang.
11. Hebei Langshen is a limited liability company established in the PRC on 3 December 2008. Its scope of business is design, production, agency of mainland advertisements; broadcasting of mainland outdoor advertisements. It has a registered capital of RMB1,000,000 and is owned as to 70% by Beijing Yanhuang.
12. Wuhan Langxin is a limited liability company established in the PRC on 16 January 2009. Its scope of business is design, production, agency and broadcasting of mainland advertisements; undertaking exhibitions and demonstration activities, organizing cultural and arts exchange activities (excluding performance). It has a registered capital of RMB2,000,000 and is owned as to 80% by Beijing Yanhuang.

Set out below is the unaudited consolidated financial information of the Redgate Ventures Group after Reorganisation for the period from 1 September 2012 (date of acquisition) to 30 June 2013 and six months ended 31 December 2013 respectively:

	For the period from 1 September 2012 (date of acquisition) to 30 June 2013 HK\$'000 (unaudited)	For the six months ended 31 December 2013 HK\$'000 (unaudited)
Turnover	65,019	37,287
Loss before income tax	(1,339,555)	(20,562)
Loss after income tax	(1,203,323)	(23,673)
Loss after income tax attributable to the equity holder	(1,198,243)	(15,155)

As at 31 December 2013, the unaudited consolidated net liabilities of Redgate Ventures Group attributable to the Company after Reorganisation was approximately HK\$206.6 million.

Reasons for the Disposal

The Group is principally engaged in the provision of advertising on buses and bus stations, outdoor advertising displays on billboards and outdoor display spaces and media advertisement agency services in the PRC.

The Redgate Ventures Group after Reorganisation has been operating at a loss before income tax of approximately HK\$20,562,000 for the six months ended 31 December 2013.

In light of the above circumstances, the management of the Group has undertaken a review of the business strategy and focus of the Group and concluded that the Group should consider focusing its resources on businesses which would bring stable income to the Group without having to incur significant capital investment.

The Directors believe that the Group's financial position will be improved subsequent to the Disposal and it will be able to focus its resources in the Group's other lines of business in the future and at the same time the Group can further seek for new business opportunities to broaden its income base.

As such, the Directors consider that the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and are on normal commercial terms and that it is in the interest of the Company and the Shareholders as a whole.

Use of proceeds

The gross proceeds of the Disposal in the amount of approximately HK\$500,000 will be used as general working capital of the Group.

Financial effects of the Disposal

Upon Completion, Redgate Ventures and its subsidiaries will cease to be subsidiaries of the Company and their financial results will no longer be consolidated into the Group's financial statements.

The Group expects to recognize a gain from the Disposal of approximately HK\$207.1 million, which is calculated on the basis of the consideration for the Sale Shares less the net liabilities of the Redgate Ventures Group attributable to the Company after Reorganisation as at 31 December 2013 of approximately HK\$206.6 million.

GEM Listing Rules implications

As one of the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major disposal for the Company under Chapter 19 of the GEM Listing Rules, and is therefore subject to the requirements of reporting, announcement and Shareholders' approval. The SGM will be held in accordance with the requirements of the GEM Listing Rules for approving the Disposal.

GENERAL

The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Proposed Amendments, the issue and allotment of the Settlement Shares under the Specific Mandate, the Share Consolidation, the Open Offer, the Disposal and the transactions contemplated thereunder.

Pursuant to Rule 19.33 and Rule 20.17 of the GEM Listing Rules, the Specific Mandate is subject to the reporting, announcement and the CT Independent Shareholders' approval requirements. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no connected person of the Company other than Carraway Holdings Limited has a material interest in the Specific Mandate. Therefore, no Shareholder other than Carraway Holdings Limited is required to abstain from voting in respect of the resolution for approving the Specific Mandate at the SGM.

Pursuant to the GEM Listing Rules, any controlling shareholders and their associates, or where there are no controlling shareholders, directors (excluding independent non-executive Directors) and the chief executive and their respective associates shall abstain from voting in favour of the Open Offer. To the best of the Company's information and belief after having made reasonable enquiries, as at the date of this announcement, the Company has no controlling shareholder and none of the Directors, chief executive and their respective associates are Shareholders. Accordingly, no Shareholder is required to abstain from voting in relation to the Open Offer at the SGM. In addition, no Shareholder is required to abstain from voting in relation to the Proposed Amendments, the Share Consolidation, the Disposal and the transactions contemplated thereunder at the SGM.

The Independent Board Committee will be established to advise (i) the CT Independent Shareholders as to whether the terms of the Specific Mandate are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to advise the CT Independent Shareholders on how to vote in relation to the Specific Mandate at the SGM and (ii) the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote in relation to the Open Offer at the SGM. An independent financial adviser will be appointed to advise (i) the Independent Board Committee and the CT Independent Shareholders as to whether the terms of the Specific Mandate are fair and reasonable and (ii) to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable.

A circular containing, among other matters, (i) further details of the Proposed Amendments, the issue and allotment of the Settlement Shares under the Specific Mandate, the Share Consolidation, the Open Offer and the Disposal; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the independent financial adviser; and (iv) a notice of the SGM will be despatched to Shareholders on or before Tuesday, 20 May 2014 and in compliance with the GEM Listing Rules.

Upon passing of the necessary resolutions by the Shareholders (and, in the case of the Open Offer, the Independent Shareholders) at the SGM approving the Share Consolidation and the Open Offer, the Prospectus Documents will be despatched to the Qualifying Shareholders as soon as practicable.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 1:00 p.m. on Wednesday, 23 April 2014 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, 28 April 2014.

DEFINITIONS

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

“Acquisition”	the acquisition of, among others, the entire issued share capital of Redgate Ventures by the Company pursuant to a sale and purchase agreement dated 8 July 2011 (as amended and supplemented by supplemental agreements dated 30 December 2011, 21 February 2012, 31 March 2012, 29 June 2012 and 31 July 2012, respectively);
“Amendment Deed”	any of the CB Amendment Deed and the CN Amendment Deeds and the “Amendment Deeds” shall mean all of them;
“Board”	the board of Directors;
“Business Day”	any day (excluding Saturdays, Sundays and public holidays) on which banks generally are open for business in Hong Kong;
“CB Amendment Deed”	the amendment deed to be executed by the Company to amend the terms and conditions of the Placing CB;

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Circular”	the circular of the Company, which will have annexed the notice of the SGM, to be despatched to the Shareholders;
“CN Amendment Deeds”	the amendment deeds to be entered into between the Company and holders of the Convertible Notes holding 51% or more of the outstanding principal amounts of the Convertible Notes to amend the terms and conditions of the Convertible Notes;
“Company”	Inno-Tech Holdings Limited (Stock Code: 8202), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the GEM;
“Completion”	completion of Disposal pursuant to the Sale and Purchase Agreement;
“Completion Date”	on or before a date falling 5 days after satisfaction or waiver of the conditions precedent of the Sale and Purchase Agreement or such other date as the Company and the Purchaser may agree;
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules;
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective;
“Convertible Notes”	the convertible notes in the aggregate principal amount of HK\$1,300,704,206 issued by the Company on 31 August 2012 as partial consideration for the Acquisition;
“CT Independent Shareholders”	Shareholders other than Carraway Holdings Limited;
“Disposal”	the disposal of the entire issued share capital of Redgate Ventures by the Company to the Purchaser as contemplated under the Sale and Purchase Agreement;

“Excluded Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is/are in (a) place(s) outside Hong Kong, where the Directors consider it necessary or expedient not to issue the Offer Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
“Final Acceptance Date”	Thursday, 3 July 2014 or such other date as may be agreed between the Company and the Underwriter and described as the latest date for acceptance of the Offer Shares in the Prospectus;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong currency;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the independent board committee of the Company to be established to advise the CT Independent Shareholders regarding the Specific Mandate and the Independent Shareholders regarding the Open offer;
“Independent Shareholders”	any Shareholder other than controlling Shareholders and their associates or, where there are no controlling Shareholders, any Shareholder other than directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates;
“Last Trading Day”	23 April 2014, being the last day on which the Shares were traded on the Stock Exchange immediately preceding the publication of this announcement;
“Latest Time for Termination”	4:00 p.m., Friday, 4 July 2014;

“Open Offer”	the proposed issue by way of open offer of the Offer Shares at the Subscription Price on the basis of twenty five (25) Offer Shares for every Consolidated Share to the Qualifying Shareholders;
“Offer Shares”	Not less than 675,266,925 Consolidated Shares (assuming there is no new Share or Consolidated Share being issued/no Share or Consolidated Share being repurchased by the Company from the date of this announcement to the Record Date) and not more than 1,293,640,550 Consolidated Shares (assuming (i) the outstanding Share Options being exercised in full and (ii) the outstanding Placing CB and the outstanding Convertible Bonds are fully converted, on or before the Record Date), to be issued pursuant to the Open Offer on the basis of twenty five (25) Offer Shares for every Consolidated Share in issue on the Record Date;
“Overseas Shareholder(s)”	Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong;
“Placing Agreement”	the placing agreement dated 8 July 2011 in connection with the placing of the Placing CB by the Company entered into between the Company and the placing agent (as amended and supplemented by supplemental agreements dated 30 December 2011, 31 March 2012, 29 June 2012 and 31 July 2012, respectively);
“Placing CB”	the convertible bonds in the aggregate principal amount of HK\$200,000,000 issued by the Company on 29 August 2012;
“PRC” or “China”	The People’s Republic of China, which for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan;
“Promissory Notes”	the promissory notes in the aggregate principal amount of HK\$160,000,000 issued by the Company on 31 August 2012 as partial consideration for the Acquisition;
“Proposed Amendments”	the proposed amendments set out in the Amendment Deeds;

“Prospectus”	a document relating to the Open Offer to be despatched to Shareholders, in such form as may be agreed between the Company and the Underwriter;
“Prospectus Documents”	the Prospectus and the application form;
“Prospectus Posting Date”	the date of despatch of the Prospectus Documents as the Underwriter may agree in writing with the Company;
“Purchaser”	Liang Tan Yi Xing International Foundation Company Limited, a company incorporated in Hong Kong with limited liability and principally engaged in the business of magazine publication;
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Excluded Shareholders, whose name(s) appear on the register of members of the Company at the close of business on the Record Date;
“Record Date”	Tuesday, 17 June 2014, being the date by reference to which entitlements to the Open Offer will be determined;
“Redgate Interactive”	展鵬互動廣告(北京)有限責任公司Redgate Interactive Advertising (Beijing) Co. Ltd.*, a wholly foreign owned enterprise established in the PRC on 21 December 2006 and an indirect wholly owned subsidiary of Redgate Ventures as at the date of this announcement;
“Redgate Ventures”	Redgate Ventures Limited, a company incorporated in the BVI with limited liability and wholly owned by the Company as at the date of this announcement;
“Redgate Ventures Group”	Redgate Ventures and its subsidiaries;
“Reorganisation”	the reorganisation whereby the entire equity interest in Shanghai Dianguang held by Redgate Interactive will be transferred to Shenzhen Municipal Dianguang Network Technology Limited, an indirectly wholly owned subsidiary of Jade Phoenix Holdings Limited (a directly wholly owned subsidiary of the Company);
“Sale and Purchase Agreement”	the sale and purchase agreement dated 25 April 2014 entered into between the Company and the Purchaser in relation to the Disposal;

“Sale Shares”	10,000,000 shares of US\$0.01 each in the share capital of Redgate Ventures, representing the entire issued and fully paid-up share capital thereof as at the date of this announcement;
“Settlement Shares”	93,969,182 Consolidated Shares to be issued and allotted for the settlement of the outstanding Placing CB and the outstanding Convertible Notes in full pursuant to the Specific Mandate;
“SGM”	the special general meeting of the Company to be convened for approving the Proposed Amendments, the issue and allotment of the Settlement Shares under the Specific Mandate, the Share Consolidation, the Open Offer, the Disposal and the transactions contemplated thereunder;
“Shanghai Dianguang”	上海電廣媒體傳播有限公司 Shanghai Dianguang Media Broadcasting Company Ltd.*, a limited liability company established in the PRC on 27 November 2001 and wholly owned by Redgate Interactive as at the date of this announcement;
“Share Consolidation”	the proposed consolidation of every ten (10) Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.10 each;
“Share Options”	share options to subscribe for Shares under the Share Option Scheme;
“Share Option Scheme”	the share option scheme adopted by the Company on 5 July 2012;
“Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Specific Mandate”	the specific mandate to authorize the Directors to allot and issue 93,969,182 Settlement Shares for the settlement of the outstanding Placing CB and the outstanding Convertible Notes in full to be obtained at the SGM;
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which renders any of the warranties given by the Company contained in the Underwriting Agreement untrue or incorrect in any material respect;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	subscription price of HK\$0.215 per Offer Share;
“Takeovers Code”	The Code on Takeovers and Mergers;
“Underwriter”	Convoy Investment Services Limited, a licensed corporation to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), acting as the underwriter pursuant to the Underwriting Agreement;
“Underwriting Agreement”	the underwriting agreement dated 25 April 2014 entered into between the Company and the Underwriter in relation to the Open Offer; and
“%”	per cent.

By order of the Board
Inno-Tech Holdings Limited
Chen Chuan
Chairman

Hong Kong, 25 April 2014

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Chen Chuan, Mr. Ang Wing Fung and Mr. Shih Yau Ting, Jackson; and three independent non-executive Directors, namely Mr. Lee Ho Yiu, Thomas, Ms. Lu Di and Mrs. Kwan Leung, Anna.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 this announcement is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

Certain English translations of Chinese names or words marked with in this announcement are included for information purpose only and should not be regarded as the official English translation of such Chinese names or words.*

This announcement will remain on the “Latest Company Announcements” page on the GEM website at www.hkgem.com and on the website of the Company at www.it-holdings.com.hk for 7 days from the date of this posting.