CULTURE LANDMARK INVESTMENT LIMITED
文化地標投資有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 674)

INSIDE INFORMATION
LITIGATION IN RELATION TO THE COPYRIGHT CO-OPERATION AGREEMENTS;
AND
PROFIT WARNING

This announcement is made by Culture Landmark Investment Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

LITIGATION IN RELATION TO THE COPYRIGHT CO-OPERATION AGREEMENTS

Reference is made to the announcement of the Company dated 12 November 2015 (the "**Announcement**"). Unless otherwise defined, capitalised terms used herein below shall have the same meanings as those defined in the Announcement.

The board of directors of the Company (the "**Board**") wishes to announce that China Music Video Broadcast (Shenzhen) Company Limited*（中音傳播(深圳)有限公司）("**China Music**"), an indirect non-wholly owned subsidiary of the Company, and Song Labs Co, Ltd*（北京天語同聲信息技術有限公司）("**Song Labs**"), an indirect wholly-owned subsidiary of the Company, will initiate legal proceedings (the "**Litigation**") against China Music Video Collective Management Association*（中國音像著作權集體管理協會）("**MVCM Association**") in the PRC court claiming for:

(a) the payment of (i) outstanding Operating Fees of approximately RMB34,000,000 (equivalent to approximately HK$40,800,000) by MVCM Association to China Music and Song Labs pursuant to the Copyright Co-operation Agreements which represents the outstanding Operating Fees up to the second quarter of 2015 (the "**Outstanding Operating Fees**"); and (ii) the default interest of approximately RMB2,000,000 (equivalent to approximately HK$2,400,000), if calculated up to 31 May 2016;

(b) a declaration that the unilateral termination of one of the Copyright Co-operation Agreements by MVCM Association was invalid and that MVCM Association should continue to perform its obligations under the Copyright Co-operation Agreements; and

(c) the costs of the Litigation to be borne by MVCM Association.

Based on the audited consolidated financial statements of the Group for the year ended 31 March 2015, the Operating Fees income derived from China Music and Song Labs accounted for approximately 14.3% of the Group's revenue. As at the date of this announcement, it is uncertain as to whether the Group can fully recover the Outstanding Operating Fees from MVCM Association. Accordingly, the Board is of the view that the non-payment of the Outstanding Operating Fees may have adverse impact on the interests of the Group's license fee collection and provision of intellectual property enforcement services business and hence the Group's overall turnover and gross profit for the year ended 31 March 2016. In view of such uncertainties, the Company anticipates that an impairment loss of trade receivables of approximately RMB30,700,000 (equivalent to approximately HK$36,800,000) will be made in the consolidated financial statements of the Group for the year ended 31 March 2016.

The Litigation is still on a preliminary stage and the Company's PRC legal counsel is currently taking all necessary steps to protect the Company's interests.

Further announcement will be made as and when appropriate by the Company in relation to the updated status of the Litigation.

PROFIT WARNING

The Board further announces that, based on a preliminary review of the latest unaudited consolidated management accounts of the Group and other information currently available to the Board and after taking into account the expected impairment loss of trade receivables of approximately RMB30,700,000 (equivalent to approximately HK$36,800,000) to be made in the consolidated financial statements of the Group for the year ended 31 March 2016, it is expected that the Group will continue to incur a loss for the year ended 31 March 2016, whilst the loss will be of a significantly smaller amount as compared to the loss of approximately HK$450.6 million for the year ended 31 March 2015. Such decrease in loss is mainly due to the absence of (i) the loss on disposal of Hua Rong Sheng Shi Holding Limited of approximately HK$16.0 million; (ii) the amortization on intangible assets and deferred expenditure of approximately HK$24.0 million; and (iii) the impairment losses on available-for-sale investments, goodwill and intangible assets of approximately of HK$332.3 million, which were non-recurring items.

The Company has yet to finalise the annual results of the Group for the year ended 31 March 2016. The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the information currently available to the Board including the unaudited management accounts of the Group, which have not been reviewed or audited by the Company's auditors or the audit committee of the Company, and the actual results of the Group for the year ended 31 March 2016 may be different from what is disclosed herein. Shareholders and investors are advised to read carefully the results announcement of the Company for the year ended 31 March 2016, which is expected to be published by the end of June 2016.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This profit warning included in this announcement (the "**Profit Warning**") constitutes a profit forecast and must be reported on by the Company's financial advisers and auditors or consultant accountants under Rule 10.4 of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**").

Since this announcement is required to be made pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which require the Company to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

The reports on the Profit Warning as required under Rule 10 of the Takeovers Code will be included in the next document to be sent by the Company to the Shareholders if the Company as not yet made its annual results announcement for the year ended 31 March 2016 at the time when such document is issued and if the relevant results together with the notes to the financial statements are not included in such document.

Shareholders and potential investors should note that this announcement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. Shareholders and potential investors should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the open offer and the whitewash waiver as set out in the announcement of the Company dated 16 May 2016 and/or when dealing in the Shares.

By Order of the Board
Culture Landmark Investment Limited
Cheng Yang
Chairman

Hong Kong, 23 May 2016

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Yang (the Chairman), Mr. Tsoi Tung, Ms. Lei Lei and Mr. Huang Ranfei and the independent non-executive directors of the Company are Mr. Yang Rusheng, Mr. Tong Jingguo and Mr. So Tat Keung.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

* *For identification purpose only*