

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Jimei 集美 지메이

JIMEI INTERNATIONAL ENTERTAINMENT GROUP LIMITED

集美國際娛樂集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

**ISSUE OF CONVERTIBLE BONDS
UNDER GENERAL MANDATE**

Financial Adviser to the Company



Titan Financial Services Limited

THE SUBSCRIPTION AGREEMENTS

On 5 November 2015 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have severally and conditionally agreed to subscribe, and the Company has conditionally agreed to issue, the Convertible Bonds in an aggregate principal amount of HK\$365,000,000.

As at the date of this announcement, the Company has an aggregate of 493,564,800 Shares in issue. Assuming (i) there is no other change in the existing shareholding of the Company and no conversion of the 2014 Convertible Notes; and (ii) full conversion of the Convertible Bonds, based on the initial Conversion Price of HK\$5.00 per Conversion Share, a maximum of 73,000,000 Conversion Shares will be issued, representing (i) approximately 14.8% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.9% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

USE OF PROCEEDS

The estimated net proceeds from the issue of the Convertible Bonds (after deducting all related expenses), are estimated to be approximately HK\$364,700,000, which are intended to be used for general working capital of the Group and as funds for future development of the existing business of the Group, including development of entertainment and gaming business in Australia and Cambodia.

GENERAL MANDATE

The Conversion Shares will be allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares (upon conversion of the Convertible Bonds) are not subject to Shareholders' approval.

GENERAL

The Company will make an application to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange. No application will be made by the Company to the Listing Committee for listing of the Convertible Bonds.

Completion of the Subscription Agreements are subject to the fulfilment of all conditions set out in the paragraph headed "Conditions precedent" below. Please refer to the paragraph headed "Principal terms of the Convertible Bonds" below for detailed terms of the Convertible Bonds. As the issue of the Convertible Bonds are subject to the fulfilment of certain conditions precedent and may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

On 5 November 2015 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have severally and conditionally agreed to subscribe, and the Company has conditionally agreed to issue the Convertible Bonds in an aggregate principal amount of HK\$365,000,000. Completion of the Subscription Agreements are subject to the fulfilment of all conditions set out in the paragraph headed “Conditions precedent” below. Details of the terms of the Subscription Agreements and the Convertible Bonds are summarised below:

THE SUBSCRIPTION AGREEMENTS

Date : 5 November 2015 (after trading hours)

Issuer : the Company

Subscribers : the Subscribers

The Subscribers are not less than six in number. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Subscribers and their respective ultimate beneficial owner(s) are third parties independent of and are not connected persons (as defined under the Listing Rules) of the Company.

Subscription of the Convertible Bonds

Subject to the fulfilment of the conditions precedent set out below, the Subscribers shall subscribe for, and the Company shall issue, the Convertible Bonds in an aggregate principal amount of HK\$365,000,000 and the said amount shall be satisfied in cash.

Conditions Precedent

Completion of the Subscription shall be conditional upon:

- (a) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company and the Subscribers have no reasonable objection) approval for the listing of, and permission to deal in, the Conversion Shares;

- (b) the representations, warranties and undertakings of the Company contained in the Subscription Agreements remaining true, accurate and complete in all material respects and not misleading in any material respect as at the date of the Subscription Agreements and the Completion Date; and
- (c) if necessary, the Bermuda Monetary Authority granting the consent for the allotment and issue of the Conversion Shares upon conversion of the Convertible Bonds.

Subject to the fulfilment of the above conditions precedent, completion of the Subscription shall take place on or before the third (3rd) Business Day following the date on which the conditions precedent are fulfilled (or such later date as the Company and the Subscribers may agree in writing).

None of the Subscription Agreements are inter-conditional on each other.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds are summarised below:

Principal amount	:	HK\$365,000,000
Issue price	:	100% of the principal amount of the Convertible Bonds
Interest	:	8% per annum payable in arrears every six months after the date of issue of the Convertible Bonds
Maturity Date	:	The date falling on the third (3rd) anniversary of the date of issue of the Convertible Bonds

Conversion Price : The initial Conversion Price is HK\$5.00 per Conversion Share, which is subject to adjustment provisions as summarised in the sub-paragraph headed “Adjustments to the Conversion Price” below.

The initial Conversion Price represents:

- i. a discount of approximately 11.5% to the closing price of HK\$5.65 per Share as quoted on the Stock Exchange on 5 November 2015, being the date of the Subscription Agreements;
- ii. a discount of approximately 1.8% to the average closing price of approximately HK\$5.09 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately before the date of the Subscription Agreements; and
- iii. a discount of approximately 0.6% to the average closing price of approximately HK\$5.03 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately before the date of the Subscription Agreements.

The initial Conversion Price was determined after arm’s length negotiations between the Company and the Subscribers after considering the current market sentiment, the recent market prices and performance of the Shares, the historical financial performance and the business prospects of the Group.

- Adjustments to the Conversion Price : The initial Conversion Price shall be, from time to time, subject to adjustment upon occurrence of, any of the following events:
- i. consolidation or sub-division of Shares;
 - ii. capitalisation of profits or reserves;
 - iii. capital distribution;
 - iv. offer of new Shares for subscription by way of a rights issue, an open offer or a grant of options or warrants to subscribe for new Shares, at a price which is less than 80% of the market price at the date of the announcement of the terms of such offer or grant per Share to Shareholders;
 - v. issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total effective consideration per new Share receivable is less than 80% of the market price at the date of the announcement of the terms of issue of such securities, or the conversion, exchange or subscription rights of any such issue are altered so that the said total effective consideration receivable per Share initially is less than 80% of such market price at the date of announcement of the terms of such issue;
 - vi. issue of Shares being made wholly for cash at a price less than 80% of the market price per Share at the date of announcement of the terms of such issue; and
 - vii. issue of Shares for the acquisition of asset at a total effective consideration per new Share receivable is less than 80% of the market price at the date of the announcement of the terms of such issue.

No adjustment will be made to the Convertible Bonds to the extent that it will cause the Company to allot and issue Shares in excess of the General Mandate.

- Conversion Shares : Based on the initial Conversion Price of HK\$5.0, a maximum number of 73,000,000 Conversion Shares may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full, which represent:
- i. approximately 14.8% of the existing issued share capital of the Company as at the date hereof; and
 - ii. approximately 12.9% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon exercise of the conversion right attaching to the Convertible Bonds in full (assuming that there is no other change in the existing shareholding of the Company and no conversion of the 2014 Convertible Notes).
- Conversion period : The Bondholder(s) shall be entitled to exercise the conversion right during the period commencing from the 90th day after the date of the issue of the Convertible Bonds up to 4:00 pm (Hong Kong time) immediately prior to and exclusive of the Maturity Date.
- Transferability : Unless the Bondholder(s) transfers the Convertible Bonds to its wholly-owned subsidiaries or a holding company of the Bondholder(s) which owns the entire issued share capital of the Bondholder(s), the Bondholder(s) may only assign or transfer the Convertible Bonds to the transferee (other than a connected person (as defined in the Listing Rules) of the Company who/which could not be a transferee) subject to the written consent of the Company. The Convertible Bonds may be assigned or transferred in whole or in part (in whole multiples of HK\$5,000,000) of its outstanding principal amount upon the payment in full and the Company shall facilitate any such assignment or transfer of the Convertible Bonds, including making any necessary applications to the Stock Exchange for the said approval (if required).

- Status of the Convertible Bonds : The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
- Ranking of the Conversion Shares : The Conversion Shares will rank *pari passu* in all respects with the Shares in issue.
- Voting : The Bondholder(s) shall not be entitled to attend or vote at any meetings of the Company by reason only it being the Bondholder(s).
- Listing : No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

GENERAL MANDATE

Upon exercise in full of the conversion rights attaching to the Convertible Bonds at the initial Conversion Price, a maximum of 73,000,000 Conversion Shares shall be allotted and issued under the General Mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 23 June 2015. Under the General Mandate, the Company is authorised to allot, issue and otherwise deal with new Shares (including the issue of any securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares) up to a maximum of 20% of the issued share capital of the Company as at the date of the aforesaid annual general meeting, which amounts to 98,712,960 new Shares. As at the date of this announcement, none of the Shares have been issued by the Company under the General Mandate. Accordingly, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares (upon conversion of the Convertible Bonds) are not subject to Shareholders' approval.

REASONS FOR THE ISSUE OF THE CONVERTIBLE BONDS AND USE OF PROCEEDS

The Group is principally engaged in the entertainment and gaming business, as well as trading of chemical products, energy conservation and environmental protection products.

The estimated net proceeds from the issue of the Convertible Bonds (after deducting all related expenses), are estimated to be approximately HK\$364,700,000, which are intended to be used for the general working capital of the Group and as funds for future development of the existing business of the Group, including development of the entertainment and gaming business in Australia and Cambodia.

The Directors are of the view that the issue of the Convertible Bonds represents a good opportunity for the Company to raise funds to enhance its working capital and strengthen its financial position for its development of existing business, including development of the entertainment and gaming business in Australia and Cambodia with an objective to provide attractive returns for the Shareholders. The Directors have also considered various ways of raising funds in the capital market and consider that the issue of the Convertible Bonds is an appropriate means of raising additional working capital for the Company having taken into account that (i) it will not result in immediate dilution effect on the shareholding of the existing Shareholders; and (ii) the shareholder base of the Company will be enlarged and the financial position of the Group will be improved for establishing and strengthening the existing and future business of the Group upon exercise of the conversion rights attaching to the Convertible Bonds.

Based on the foregoing, the Directors consider that the terms of the Subscription Agreements, which were arrived at after arm's length negotiations between the Company and the Subscribers, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purposes, the tables below set out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after full conversion of the Convertible Bonds at the initial Conversion Price pursuant to the Subscription Agreements (assuming that there is no other change in the existing shareholding of the Company and no conversion of the 2014 Convertible Notes):

	<i>Notes</i>	As at the date of this announcement		Immediately after full conversion of the Convertible Bonds at the initial Conversion Price pursuant to the Subscription Agreements (assuming that there is no other change in the existing shareholding of the Company and no conversion of the 2014 Convertible Notes)	
		<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Directors					
Dr. Lam Yin Lok	<i>1</i>	295,023,200	59.8	295,023,200	52.1
Mr. Chau Chit	<i>2</i>	49,693,600	10.1	49,693,600	8.8
Mr. Hung Ching Fung	<i>3</i>	6,500,000	1.3	6,500,000	1.1
Public Shareholders					
The Subscribers		–	–	73,000,000	12.9
Other public Shareholders		142,348,000	28.8	142,348,000	25.1
TOTAL		493,564,800	100.0	566,564,800	100.0

Notes:

- Dr. Lam Yin Lok (an executive Director) holds the entire issued share capital of Reach Luck International Limited and is deemed to be interested in 295,023,200 Shares held by Reach Luck International Limited.

2. Mr. Chau Chit (an executive Director) holds the entire issued share capital of Mega Start Limited and is deemed to be interested in 49,693,600 Shares held by Mega Start Limited.
3. Mr. Hung Ching Fung (an executive Director) holds the entire issued share capital of New Elect International Limited and is deemed to be interested in 6,500,000 Shares held by New Elect International Limited.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

PUBLIC FLOAT

The Company will monitor closely and will ensure that it maintains the minimum public float percentage as prescribed under the Listing Rules from time to time. The Company's public float will not fall below the minimum prescribed percentage under the Listing Rules upon conversion of the Convertible Bonds.

GENERAL

The Company will make an application to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange. No application will be made by the Company to the Listing Committee for the listing of the Convertible Bonds.

DEFINITIONS

“2014 Convertible Notes” the zero coupon convertible notes with principal amount of HK\$55,650,000 and initial conversion price of HK\$0.35 per conversion share issued by the Company on 19 September 2014 to Reach Luck International Limited (a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Dr. Lam Yin Lok, an executive Director), the entire principal amount of which remains outstanding as at the date of this announcement

“associate(s)”	has the same meaning ascribed to it in the Listing Rules
“Board”	the board of Directors of the Company
“Bondholder(s)”	a holder(s) of the Convertible Bond and in whose name such Convertible Bond is for the time being registered in the register of bondholder(s) kept by the Company
“Business Day(s)”	any day (excluding a Saturday and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Jimei International Entertainment Group Limited (stock code: 1159), a company incorporated in Bermuda with limited liability, the Shares of which are listed on Main Board of the Stock Exchange
“Completion”	completion of the issue of the Convertible Bonds by the Company and Subscription as contemplated under the Subscription Agreements
“Completion Date”	any day falling within three (3) Business Days after the fulfilment of the conditions precedent of the Subscription Agreements or such other date as may be agreed by the Company and the Subscribers in writing
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules

“Conversion Price”	HK\$5.00, being the initial conversion price per Share at which the Convertible Bonds may be converted into Shares and subject to adjustments (if any)
“Conversion Share(s)”	the Share(s) which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the convertible bonds in an aggregate principal amount of HK\$365,000,000 to be issued by the Company to the Subscribers pursuant to the Subscription Agreements
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 23 June 2015 to allot, issue and otherwise deal with new Shares up to a maximum of 20% of the total number of issued share capital of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of The People’s Republic of China
“Independent Third Party(ies)”	a person(s) or company(ies) and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is not a connected person of the Company or an associate of such connected person
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the third (3rd) anniversary of the date of issue of the Convertible Bonds
“Shareholder(s)”	holder(s) of Shares
“Shares”	shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	corporate and individual subscribers of the Convertible Bonds who are all Independent Third Parties
“Subscription”	the subscription of the Convertible Bonds by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreements”	the subscription agreements dated 5 November 2015 entered into between the Company and 7 Subscribers in relation to the subscription of Convertible Bonds in an aggregate principal amount of HK\$365,000,000
“%”	per cent.

By order of the Board
Jimei International Entertainment Group Limited
Dr. Lam Yin Lok
Chairman

Hong Kong, 5 November 2015

As at the date of this announcement, our executive Directors are Dr. Lam Yin Lok, Mr. Wong Kwok Leung Kennis, Mr. Ng Kuen Hon, Mr. Hung Ching Fung and Mr. Chau Chit; and our independent non-executive Directors are Mr. Daniel Domingos António, Mr. Kwok Chi Chung and Mr. Chow Wing Tung.