

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.

This announcement does not constitute a prospectus, offering circular, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it calculated to invite offers by the public to subscribe for or purchase any securities. This announcement must not be regarded as an inducement to subscribe for or purchase any securities, and no such inducement is intended. Neither the Company nor any of its affiliates or advisers is offering, or is soliciting offers to buy, any securities in any jurisdiction through the publication of this announcement.

GME Group Holdings Limited
駿傑集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8188)

INSIDE INFORMATION
PROPOSAL FOR RESUMPTION OF TRADING IN SHARES

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules, and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the SFO.

BACKGROUND

Reference is made to the announcement of the Company dated 22 February 2017, whereby the Company was notified by the Commission through the Letter that given the activity in the Shares in the morning session on 22 February 2017 and the significant increase in the price of the Shares, it appeared to the Commission that there may not be an open market in the trading of the Shares. Accordingly, the Commission directed the Stock Exchange to suspend all dealings in the Shares with effect from 1:00 p.m. on 22 February 2017. The Commission also requested the Company to assess what action the Company intended to take to address the concerns of the Commission.

The Company has been working on addressing and resolving the Commission's concerns, with a view to resuming trading in the Shares as soon as practicable; and in this respect, the Company has formulated the Resumption Proposal which will involve the following:

- (1) the Controlling Shareholders to dispose of certain Shares currently held by them to not less than 150 independent places; and

- (2) PF, being the sole lead manager for the IPO Placing, to procure Irrevocable Instructions from Certain IPO Placees to sell certain Shares on behalf of Certain IPO Placees upon resumption of trading in the Shares.

THE VENDOR PLACING

The Company was informed by the Controlling Shareholders that the Controlling Shareholders intend to enter into the Placing Agreement for the Vendor Placing, pursuant to which the Placing Agents shall, on a best-effort basis, place 25,000,000 Placing Shares held by the Controlling Shareholders, to not less than 150 Placees at the the Placing Price. Completion of the Vendor Placing will be subject to certain conditions, including, inter alia, the obtaining of approvals and waivers from relevant regulatory authorities, including the Commission and the Stock Exchange.

For the purpose of implementing the Vendor Placing, an application has been made to the Stock Exchange for (i) an approval pursuant to Rule 13.18 of the GEM Listing Rules; and (ii) a waiver from strict compliance with Rules 5.56(a) and 5.59 of the GEM Listing Rules. The Company and all of its Directors (including the independent non-executive Directors) confirm that they are satisfied that there are exceptional circumstances for the implementation of the Vendor Placing before the expiry of the Lock-up Period and black-out period, and the Vendor Placing (being part of the Resumption Proposal) is the only reasonable course of action available to the Company. To the best of the Directors' knowledge after making reasonable enquiry, the Company and the Directors are not expected to have any unpublished Inside Information (as defined in Part XIVA of the SFO) when the Vendor Placing is to be implemented and completed.

Upon completion of the Vendor Placing, the number of Shares held by the Controlling Shareholders will decrease from 300,000,000 Shares to 275,000,000 Shares, representing a decrease of shareholding from 60% to 55% of the total issued share capital of the Company, and the public float of the Shares will further increase by 5%. The Controlling Shareholders will remain as the controlling shareholders of the Company upon completion of the Vendor Placing.

ORDERLY MARKET DISPOSAL BY CERTAIN IPO PLACEES PURSUANT TO IRREVOCABLE INSTRUCTIONS

PF has confirmed to the board of Directors that it shall procure Certain IPO Placees to execute Irrevocable Instructions in favour of PF, pursuant to which subject to the resumption of trading in the Shares, PF shall have the authority to sell, on behalf of Certain IPO Placees, to independent third parties certain number of Shares at a price per Share of not less than the sum of HK\$0.54 and any brokerage, transaction levy and the Stock Exchange trading fees paid and borne by Certain IPO Placees under the IPO Placing, but excluding any brokerage, transaction levy and the Stock Exchange trading fees arising from such sale. Such Irrevocable Instructions shall be valid for a designated period upon resumption of trading in the Shares and shall be executed by PF in whole or in part as soon as there is any demand for such Shares subject to the Irrevocable Instructions at the prescribed price.

INTRODUCTION

This announcement is made pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

BACKGROUND

Reference is made to the announcement of the Company dated 22 February 2017, whereby the Company was notified by the Securities and Futures Commission (the “**Commission**”) through a letter dated 22 February 2017 (the “**Letter**”) that given the activity in the shares of the Company (the “**Shares**”) in the morning session on 22 February 2017 and the significant increase in price of the Shares, it appeared to the Commission that there may not be an open market in the trading of the Shares. Accordingly, the Commission exercised its power under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules to direct the Stock Exchange to suspend all dealings in the Shares with effect from 1:00 p.m. on 22 February 2017. The Commission also requested the Company to assess what action the Company intended to take to address the concerns of the Commission.

The Company has been working on addressing and resolving the Commission’s concerns, with a view to resuming trading in the Shares as soon as practicable. In this respect, the Company has formulated a proposal involving the following steps with a view to resuming trading in the Shares (the “**Resumption Proposal**”):

- (1) the Controlling Shareholders to dispose of certain Shares currently held by them to not less than 150 independent placees; and
- (2) Pacific Foundation Securities Limited (“**PF**”), being the sole lead manager for the initial public offering of the Company by way of placing (“**IPO Placing**”), to procure irrevocable sell orders from Certain IPO Placees (as defined below) to sell certain Shares on behalf of Certain IPO Placees upon resumption of trading in the Shares.

THE VENDOR PLACING

Mr. Chuang Chun Ngok Boris, Mr. Chuang Wei Chu, Ms. To Yin Ping and Ms. Chuang Yau Ka (collectively, the “**Controlling Shareholders**”) are the controlling shareholders (as defined in the GEM Listing Rules) of the Company. The Company was informed by the Controlling Shareholders that the Controlling Shareholders intend to enter into a placing agreement (“**Placing Agreement**”) with certain placing agents (the “**Placing Agents**”) for an offer by way of a private placement (the “**Vendor Placing**”), pursuant to which the Placing Agents shall, on a best-effort basis, place 25,000,000 Shares (the “**Placing Shares**”) held by the Controlling Shareholders (representing 5% of the entire issued share capital of the Company) at a price of HK\$0.54 per Share (which is the same as the IPO Placing price per Share), plus any brokerage, transaction levy and the Stock Exchange trading fee to be borne by the placees under the Vendor Placing (the “**Placing Price**”) to not less than 150 professional, institutional or other investors (the “**Placees**”).

Pursuant to the Placing Agreement to be entered into, the Placing Agents shall use their best endeavours to ensure that the Placees and their ultimate beneficial owners shall be third parties independent of and not connected nor acting in concert (as defined in the Code on Takeovers and Mergers and Share Buy-backs) with the Company or any of its connected persons (as defined in the GEM Listing Rules), and that the sub-placing agents (if any) were not involved in the IPO Placing. Completion of the Vendor Placing is conditional on the satisfaction of the following conditions precedent:

- (1) the approval by the Commission of the list of Placees having been granted and not having been revoked;
- (2) (in connection with the implementation of the Vendor Placing) the waiver by the Stock Exchange of Rules 5.56(a) and 5.59 of the GEM Listing Rules regarding the restrictions on directors of the Company (“**Directors**”) to deal in the Shares during the black-out period, and the approval of the Stock Exchange under Rule 13.18 of the GEM Listing Rules dispensing with the prohibition under Rule 13.16A of the GEM Listing Rules regarding the prohibition of the Controlling Shareholders disposing of their Shares within 6 months from the date on which dealings in the Shares commence on the Stock Exchange;
- (3) the approval of the Commission for resumption of trading in the Shares on the Stock Exchange; and
- (4) other regulatory approvals as necessary with a view to achieving broadening of the shareholder base of the Company and a more open market in the trading of Shares.

The Vendor Placing will be conducted at the Placing Price which was determined based on the final determined IPO Placing price per Share (i.e. HK\$0.54 per Share). Immediately prior to the suspension of the trading in the Shares, the closing price of the Shares was HK\$3.47 per Share. As such, taking into account the closing price of the Shares before suspension, the suggested Placing Price for the Vendor Placing represents a difference of HK\$2.93 per Share to the closing price per Share as quoted on the Stock Exchange immediately prior to the trading in the Shares being suspended on 22 February 2017.

To the best of the Company's knowledge, information and belief, after having made all reasonable enquiries, the Placing Agents are third parties independent of the Company and its connected persons and had not taken part in the IPO Placing (as a sub-placing agent, sub-underwriter or otherwise).

The Company does not expect that the Vendor Placing will have any significant impact on the business operations and composition of the management of the Company.

WAIVER APPLICATION TO THE STOCK EXCHANGE FROM COMPLIANCE WITH CERTAIN GEM LISTING RULES

Pursuant to Rule 13.16A(1)(a) of the GEM Listing Rules, the Controlling Shareholders shall not, in the period commencing on 14 February 2017 (being the date of the prospectus in respect of the IPO Placing) and ending on the date which is 6 months from the date of IPO Placing (i.e. 21 August 2017) (the "**Lock-up Period**"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares which it was shown by the relevant prospectus to be the beneficial owner.

Pursuant to Rule 5.56(a) of the GEM Listing Rules, the Directors must not deal in any Shares during the black-out period unless the circumstances are exceptional. As the Company intends to publish its annual results on 27 March 2017, the black-out period during which the Directors are prohibited to deal in the Shares commenced on 22 February 2017 (i.e. the listing date of the Company) and will end on 27 March 2017.

For the purpose of implementing the Vendor Placing, an application has been made to the Stock Exchange by the relevant Directors and Controlling Shareholders for (i) an approval pursuant to Rule 13.18 of the GEM Listing Rules to dispense with the prohibition under Rule 13.16A of the GEM Listing Rules regarding the prohibition of the Controlling Shareholders disposing of their Shares within 6 months from the date of IPO Placing; and (ii) a waiver from strict compliance with Rules 5.56(a) and 5.59 of the GEM Listing Rules regarding the restrictions on Directors dealing in the Shares during the black-out period.

The Board is not aware of any recent cases of the Commission exercising its power under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules on the grounds stated in the section headed “Background” of this announcement to suspend trading in the shares of other listed companies. Given such exceptional circumstances, the Board believes that it is imperative to address the Commission’s concerns as soon as practicable, with a view to a prompt resumption of trading in the Shares. Accordingly, the Company and all of its Directors (including the independent non-executive Directors) confirm that they are satisfied that there are exceptional circumstances for the implementation of the Vendor Placing before the expiry of the Lock-up Period and the black-out period, and the Vendor Placing (being part of the Resumption Proposal) is the only reasonable course of action available to the Company.

To the best of the Directors’ knowledge after making reasonable enquiry, the Company and the Directors are not expected to have any unpublished Inside Information (as defined in Part XIVA of the SFO) when the Vendor Placing is to be implemented and completed.

THE SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION OF THE VENDOR PLACING

As at the date of this announcement, (i) the Controlling Shareholders are collectively interested in 300,000,000 Shares, representing 60% of the total issued share capital of the Company, and (ii) 25,000,000 Placing Shares represent 5% of the total issued share capital of the Company. Upon completion of the Vendor Placing, the number of Shares held by the Controlling Shareholders will decrease from 300,000,000 Shares to 275,000,000 Shares, representing a decrease of shareholding from 60% to 55% of the total issued share capital of the Company, and the public float of the Shares will be increased by 5%. The Controlling Shareholders will remain as the controlling shareholders of the Company upon completion of the Vendor Placing.

The following is a summary of the shareholding structure of the Company as at the date of this announcement and immediately upon completion of the Vendor Placing (assuming there being no other change to the shareholding structure of the Company):

	Shareholding as at the date of this announcement		Shareholding immediately upon completion of the Vendor Placing	
	Number of Shares held	Percentage of Shares in issue	Number of Shares held	Percentage of Shares in issue
Controlling Shareholders	300,000,000	60.00%	275,000,000	55.00%
Public shareholders				
Mr. Ho John Kwun Fung	18,750,000	3.75%	18,750,000	3.75%
Mr. Lo Tak Leung	18,750,000	3.75%	18,750,000	3.75%
Mr. Ng Kwok Lun	37,500,000	7.50%	37,500,000	7.50%
IPO Placing public shareholders	125,000,000	25.00%	125,000,000	25.00%
Vendor Placing public shareholders	—	—	25,000,000	5.00%
Sub-total of public shareholders	<u>200,000,000</u>	<u>40.00%</u>	<u>225,000,000</u>	<u>45.00%</u>
Total	<u><u>500,000,000</u></u>	<u><u>100.00%</u></u>	<u><u>500,000,000</u></u>	<u><u>100.00%</u></u>

ORDERLY MARKET DISPOSAL BY CERTAIN IPO PLACEEES PURSUANT TO IRREVOCABLE INSTRUCTIONS

PF has confirmed to the board of Directors that it shall procure certain placees who had been placed with Shares during the IPO Placing and who, as at the date of this announcement, still hold such Shares (“**Certain IPO Placees**”) to execute irrevocable sell orders (the “**Irrevocable Instructions**”). Pursuant to the Irrevocable Instructions to be provided by Certain IPO Placees, subject to the resumption of the trading in the Shares, PF shall have the authority to sell, on behalf of Certain IPO Placees, to independent third parties certain number of Shares at a price per Share of not less than the sum of HK\$0.54 and any brokerage, transaction levy and the Stock Exchange trading fees paid and borne by Certain IPO Placees under the IPO Placing, but excluding any brokerage, transaction levy and the Stock Exchange trading fees arising from such sale. Such Irrevocable Instructions shall be valid for a designated period upon resumption of trading in the Shares and shall be executed by PF in whole or in part as soon as there is any demand for such Shares subject to the Irrevocable Instructions at the prescribed price.

RATIONALE OF THE PLACING

The board of directors (“**Directors**”) of the Company considers that by carrying out the Resumption Proposal will increase the public float of the Shares, and further widen the shareholder base of the Company, allowing additional independent investors to purchase and trade in the Shares. As such, the Directors are of the view that by carrying out the Resumption Proposal, it can address the Commission’s concerns as set out in the Letter by creating a more open market on the trading of the Shares.

The Company will make further announcements pursuant to the requirements under the SFO and the GEM Listing Rules as and when appropriate.

Trading in the Shares will remain suspended. Shareholders and potential investors should be cautious that the Resumption Proposal (including the execution and completion of the Placing Agreement and/or the obtaining and execution by Certain IPO Placees of the Irrevocable Instructions) may or may not proceed, and is subject to certain conditions which may or may not be satisfactorily fulfilled.

By order of the Board
GME Group Holdings Limited
Chuang Chun Ngok Boris
Chairman and executive Director

Hong Kong, 15 March 2017

As at the date of this announcement, the executive Directors are Mr. Chuang Chun Ngok Boris and Mr. Chuang Wei Chu and the independent non-executive Directors are Mr. Lam Man Bun Alan, Mr. Lau Chun Fai Douglas and Ir Ng Wai Ming Patrick.

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 respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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