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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
FACTORING AGREEMENT**

This announcement is made pursuant to Rules 17.20 and 19.07 of the GEM Listing Rules.

FACTORING AGREEMENT

The Board wishes to announce that on 22 November 2017 (after trading hours), the Company and GMEHK, an indirect wholly-owned subsidiary of the Company, entered into the Factoring Agreement whereby the Bank agreed to provide certain account receivables factoring services to GMEHK with the maximum Funds in Use of HK\$10,000,000. As conditions under the Factoring Agreement, (i) GMEHK entered into a Security Deed in favour of the Bank on 22 November 2017 (after trading hours) to assign all the account receivables payable to GMEHK by one of its customers under a contract being made between GMEHK and such customer; and (ii) the Company entered into a Deed of Guarantee on 22 November 2017 (after trading hours) in favour of the Bank whereby the Company agreed to provide a corporate guarantee of up to HK\$10,000,000 in respect of the liabilities of GMEHK owing to the Bank from time to time.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to the Transaction exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

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Date:	22 November 2017
Borrower:	GMEHK
Lender:	The Bank
Maximum Funds in Use:	HK\$10,000,000
Discount:	At 2.5% per annum above HIBOR on Funds in Use in HK\$
Commission:	0.2% of the amount of each debt
Major conditions:	<ul style="list-style-type: none">(i) Provision of the Deed of Guarantee in the amount of up to HK\$10,000,000 in respect of the liabilities of GMEHK given by the Company in favour of the Bank.(ii) Provision of the Security Deed for all account receivables payable to GMEHK by one of its customers under a contract being made between GMEHK and such customer.
Other terms:	<ul style="list-style-type: none">(i) The availability of the Factoring Agreement is subject to, among other things, the Bank's periodic review.(ii) The Company has undertaken that during the life of the Factoring Agreement, among others:<ul style="list-style-type: none">(a) Mr. Chuang Chun Ngok Boris shall remain as the chairman of the Board and maintain the management and business control of the Company;

- (b) Mr. Chuang Chun Ngok Boris, Mr. Chuang Wei Chu, Ms. To Ying Ping and Ms. Chuang Yau Ka shall at all times collectively remain as the single largest shareholder of the Company; and
- (c) the Company shall at all times directly or indirectly maintain 100% of the issued share capital of GMEHK.

Termination: The Factoring Agreement can be terminated by (i) either the Bank or GMEHK giving to the other not less than 30 days' notice or (ii) the Bank at any time after the occurrence of certain termination events, including breaches of the Factoring Agreement.

INFORMATION ON THE COMPANY, GMEHK AND THE BANK

The principal business activity of the Company is investment holding. GMEHK is an indirect wholly-owned subsidiary of the Company. The principal activities of the Group involve the provision of underground construction services for private main contractors in public sector infrastructure projects. Public sector projects refer to the projects in which the main contractors are employed by the government of Hong Kong, its statutory bodies or statutory corporations.

The Bank is a licensed bank in Hong Kong, which the principal business activity is banking business in Hong Kong. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Bank and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION DOCUMENTS

The provision of the facility under the Factoring Agreement enables the Group to improve the financial resources for its participation in existing and future projects, which is in line with the Group's business objectives to expand its services into other high-value construction services and enhance the efficiency of its operation.

The Board considers that the Transaction Documents were entered into on normal commercial terms and in the ordinary and usual course of business of the Group. The Board is of the view that the terms of the Transaction Documents are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to the Transaction exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules. The Company will comply with the continuing disclosure obligations under Rule 17.23 of the GEM Listing Rules in its subsequent quarterly, interim and annual reports so long as circumstances giving rise to such obligations regarding the control and management of the Company exist.

DEFINITIONS

In this announcement, the following terms have the meanings set out below unless the context requires otherwise:

“Bank”	a licensed bank in Hong Kong, being the lender under the Factoring Agreement
“Board”	the Board of Directors
“Commission”	means a commission specified as such in the Factoring Agreement
“Company”	GME Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Deed of Guarantee”	the deed of guarantee dated 22 November 2017 executed by the Company in favour of the Bank as the lender to guarantee to pay the liabilities of GMEHK due but unpaid to the Bank of up to HK\$10,000,000
“Director(s)”	the director(s) of the Company
“Discount”	means the charge calculated on the Funds in Use at the relevant rate(s) specified in the Factoring Agreement
“Factoring Agreement”	the agreement between GMEHK and the Bank dated 22 November 2017 pursuant to which the Bank agreed to grant a factoring facility of a credit limit up to HK\$10,000,000 to GMEHK subject to the terms therein

“Funds in Use”	means the total amount of payments (including prepayments) made by the Bank to GMEHK in respect of debts, plus Discounts, Commissions and other fees, charges and commissions and all other sums owing or payable by GMEHK to the Bank under the Factoring Agreement, but less the total amount of clear funds received by the Bank towards discharge of debts, and less the payments in clear funds actually received by the Bank from GMEHK under the Factoring Agreement, which will be reflected as the balance(s) in the Funds in Use account(s)
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“GMEHK”	Good Mind Engineering Limited (駿傑工程有限公司), a company incorporated in Hong Kong with limited liability on 22 March 1994 and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HIBOR”	Hong Kong Interbank Offered Rate as from time to time quoted by the Bank
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Maximum Funds in Use”	means the limit specified as such in the Factoring Agreement representing the aggregate maximum amount of Funds in Use permissible at any time under the Factoring Agreement
“PRC”	the People’s Republic of China
“Security Deed”	the deed of security dated 22 November 2017 entered into by GMEHK in favour of the Bank to assign all the account receivables payable to GMEHK by one of its customers under a contract being made between GMEHK and such customer
“Share(s)”	the shares of the Company

“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the GEM Listing Rules
“Transaction”	the transaction contemplated under the Transaction Documents
“Transaction Documents”	the Factoring Agreement, the Deed of Guarantee and the Security Deed
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 22 November 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.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.

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.