

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.

Healthoo International Technology Holdings Limited

(海滙國際科技控股有限公司)*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8088)

DISCLOSEABLE TRANSACTION IN RELATION TO (I) PROVISION OF FINANCIAL ASSISTANCE; AND (II) DEEMED DISPOSAL OF APPROXIMATELY 2.22% EQUITY INTEREST IN HMV DIGITAL CHINA GROUP LIMITED

On 22 March 2018 (after trading hours), the Lender entered into the Stock Borrowing Agreement pursuant to which the Lender has agreed to make available to the Borrower a loan of the Loaned Securities, by way of execution of the Share Charge and the Custodian Deed in favour of the Investor as security for performance of the obligations of the Borrower in relation to the Subscription, and the Borrower has agreed to pay a borrowing fee on the value of the Loaned Securities at 3.5% per annum subject to the terms and conditions of the Stock Borrowing Agreement.

The loan of the Loaned Securities will be secured by the Guarantee and Indemnity to cover, among others, all or any of the obligations and/or liabilities of the Borrower under or in respect of any and/or all of the Subject Documents, all costs, losses, damages, demands and expense which the Lender may sustain or incur as a result of the whole or any of the aforementioned obligations being or becoming irrecoverable from the Borrower and any costs, losses, damages, demands and expenses which the Lender may sustain or incur as a direct or indirect result of any or all of the Secured Liabilities, or any or all of the agreements governing any of the Secured Liabilities being unenforceable.

LISTING RULES IMPLICATIONS

The entering into of the Stock Borrowing Agreement and the transactions contemplated thereunder, i.e. the loan of the Loaned Securities by the Lender to the Borrower, constitutes a provision of financial assistance by the Company under the GEM Listing Rules. Further, pursuant to the Share Charge, in the event that the Borrower fails to perform its obligations in relation to the Subscription in accordance to the terms of the Subscription Agreement and that the Share Charge becomes enforceable, the Investor shall have the right to exercise all rights and enjoy all benefits attaching to the Loaned Securities. As such, the entering into of the Stock Borrowing Agreement (including the Share Charge) and the transactions contemplated thereunder constitutes a deemed disposal for the Company under the GEM Listing Rules.

* *For identification purpose only*

As certain applicable percentage ratios stipulated under Rule 19.07 of the GEM Listing Rules in respect of the Stock Borrowing Agreement (including the Share Charge) exceed 5% but are less than 25%, the transactions contemplated under the Stock Borrowing Agreement (including the Share Charge) constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and are subject to the notification and announcement requirements under the GEM Listing Rules.

The Board announces that on 22 March 2018 (after trading hours), the Lender entered into the Stock Borrowing Agreement with the Borrower pursuant to which the Lender has agreed to make available to the Borrower a loan of the Loaned Securities, by way of execution of the Share Charge and the Custodian Deed in favour of the Investor as security for performance of the obligations of the Borrower in relation to the Subscription, and the Borrower has agreed to pay a borrowing fee on the value of the Loaned Securities at 3.5% per annum subject to the terms and conditions of the Stock Borrowing Agreement.

THE STOCK BORROWING AGREEMENT

The salient terms of the Stock Borrowing Agreement are set out below:

Date

22 March 2018

Parties

Borrower HMV Digital China Group Limited, a company whose issued shares are listed on GEM with the stock code 8078

Lender AID Treasure Investment Limited

As at the date of this announcement, the Lender is an indirect wholly-owned subsidiary of the Company and, as the beneficial owner of 2,876,438,356 shares in the Borrower, representing approximately 21.31% of the shareholding interest thereof, and a holder of convertible bonds issued by the Borrower in the principal amount of HK\$50,000,000 convertible into 163,934,426 shares in Borrower, is thus a substantial shareholder of the Borrower.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Borrower and its ultimate beneficial owner(s) are Independent Third Parties as at the date of this announcement.

Subject Matter

Subject to the terms of the Stock Borrowing Agreement, the Lender has agreed to make available to the Borrower a loan of the Loaned Securities, by way of the execution of the Share Charge and the Custodian Deed and the Borrower has agreed to pay a borrowing fee on the value of the Loaned Securities at 3.5% per annum. The borrowing fee shall be calculated based on the value of the Loaned Securities as at the date of the Stock Borrowing Agreement calculated by reference to the average of the closing price of the shares for 30

consecutive trading days of the shares of the Borrower as quoted by the Stock Exchange on the Business Day immediately prior to (but not including) the date of the Stock Borrowing Agreement.

Conditions Precedent

The Stock Borrowing Agreement is conditional upon the fulfilment of the following conditions by 31 March 2018:

- (a) the Guarantee and Indemnity having been duly executed in favour of the Lender; and
- (b) all necessary consent, approval, authorisation and licence in connection with the transaction contemplated thereunder having been obtained.

Share Charge and Custodian Deed

Subject to the terms and conditions of the Stock Borrowing Agreement, the Lender shall, from time to time within 2 Business Days upon the satisfaction of all the conditions precedent set out above and upon request from the Borrower, lend to the Borrower the Loaned Securities by executing the Share Charge and the Custodian Deed, and the Borrower shall be deemed to borrow the Loaned Securities from the Lender.

Pursuant to the Share Charge, the Lender shall, among other things, charge as beneficial owner in favour of the Investor, as security for payment and discharged of, the obligations at any time due, owing or incurred by, among others, the Borrower and the Guarantor to the Investor under the Subscription Agreement or other documents in relation to the Subscription, by way of first fixed charge, all the Lender's right, title and interest from time to time in and to the Loaned Securities and all related rights in relation thereto.

Pursuant to the Custodian Deed, the Lender shall, among other things, appoint the safekeeping agent (the "**Safekeeping Agent**") of the account in which the Loaned Securities shall be deposited (the "**Securities Account**") as the Lender's exclusive broker for dealing with any portion of the money and securities in the Securities Account (the "**Lender Assets**") and instruct and authorise the Safekeeping Agent not to process any of the Lender's instructions (other than in accordance with the terms of the Custodian Deed) as to all or any dealing of all or any portion of the Lender Assets without receiving any prior clearance in writing from any authorised person in accordance with the terms of the Custodian Deed.

Redelivery of the Loaned Securities

The Borrower undertakes to procure, at its own cost, the redelivery of all the Loaned Securities to the Lender on or before the Settlement Date.

Security

The loan of the Loaned Securities will be secured by the Guarantee and Indemnity, pursuant to which:

- (i) the Guarantor shall guarantee to and undertake with the Lender to perform all or any of the obligations and/or liabilities of the Borrower (whether present or future, actual or contingent, and whether incurred alone or jointly with another) under or in respect of any and/or all of the Subscription Agreement, the Stock Borrowing Agreement, the Share Charge, the Custodian Deed, the Guarantee and Indemnity and all documents attached to the foregoing documents (including but not limited to the instruments constituting the Convertible Bonds and the Notes issued by the Borrower dated 2 January 2018, as may be amended from time to time) (together the “**Subject Documents**”) if the Borrower fails to perform or discharge all or any of such obligations when due; and to pay on a full indemnity basis, all costs and expenses (including without limitation legal fees) incurred and loss and damages suffered by the Lender in connection with any action or other measures taken in respect of the recovery or attempted recovery of any moneys payable by the Borrower under the Subject Documents;
- (ii) the Guarantor shall, as a primary obligor, indemnify the Lender against all costs, losses, damages, demands and expense which the Lender may sustain or incur as a result of the whole or any of the aforementioned obligations being or becoming irrecoverable from the Borrower; and
- (iii) without prejudice to the foregoing, the Borrower shall indemnify the Lender against any costs, losses, damages, demands and expenses which the Lender may sustain or incur as a direct or indirect result of any or all of the Secured Liabilities, or any or all of the agreements governing any of the Secured Liabilities being unenforceable or void or being avoided for any reason whatsoever irrespective of whether such reason or any related fact or circumstance was known or ought to have been known to the Lender or any of their officers, employees, agents or advisers.

For the purpose of Secured Liabilities, the value of the Loaned Securities is agreed at HK\$72,000,000, being the market capitalisation of the Loan Securities by reference to the average of the closing prices of the shares of the Borrower for five consecutive trading days as quoted by the Stock Exchange immediately prior to (but not including) the date of the Stock Borrowing Agreement.

INFORMATION OF THE BORROWER AND THE GUARANTOR

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Borrower is a company whose issued shares are listed on GEM with the stock code 8078, which is principally engaged in the entertainment business, with a focus in television programme and film production, distribution, distribution licensing, cinema operation and management in both Hong Kong and the People’s Republic of China, artists management, money lending activities and acquisitions of corporate bonds, preference shares as well as investment in securities.

As disclosed in the annual report of the Borrower for the year ended 30 June 2016, the net losses of the Borrower before and after taxation are HK\$183,479,000 and HK\$180,348,000 respectively, and accordingly, the net losses before and after taxation, which are attributable to the Loaned Securities, i.e. 300,000,000 shares in the Borrower, representing approximately 2.22% of the shareholding interest thereof as at the date of this announcement, are HK\$4,073,230 and HK\$4,003,720 respectively for the year ended 30 June 2016.

As disclosed in the annual report of the Borrower for the year ended 30 June 2017, the net profits of the Borrower before and after taxation are HK\$14,819,000 and HK\$21,409,000 respectively, accordingly, the net profits before and after taxation, which are attributable to the Loaned Securities, i.e. 300,000,000 shares in the Borrower, representing approximately 2.22% of the shareholding interest thereof as at the date of this announcement, are HK\$328,980 and HK\$475,280 respectively for the year ended 30 June 2017.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE STOCK BORROWING AGREEMENT

The Group is principally engaged in asset management and strategic investment businesses. Among other things, through mergers and acquisitions, transactions and partnerships, the Group aims to identify business with promising growth and unlock their values.

The Lender is an indirect wholly-owned subsidiary of the Company and as the beneficial owner of 2,876,438,356 shares in the Borrower, representing approximately 21.31% of the shareholding interest thereof, and a holder of convertible bonds issued by the Borrower in the principal amount of HK\$50,000,000 convertible into 163,934,426 shares in Borrower. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Lender is the single largest shareholder of the Borrower as at the date of this announcement.

Reference is made to the announcements of the Borrower dated 17 November 2017, 2 January 2018 and 22 March 2018 in relation to the Subscription. As announced by the Borrower on 17 November 2017, the issue of the Convertible Bonds and the Notes represents a good fund-raising opportunity to strengthen the financial position of the Borrower and the net proceeds arising from the issue of the Convertible Bonds and the Notes, will be applied towards general working capital purposes and funding investments by the Borrower into potential business opportunities. As announced by the Borrower on 2 January 2018, there are to be two tranches of closing of the Subscription. Closing of the subscription for and issue of the Convertible Bonds in the aggregate principal amount of HK\$150,000,000 and the Notes in the aggregate principal amount of HK\$103,000,000 have been completed on 2 January 2018. As announced by the Borrower dated 22 March 2018, closing of the subscription for and issue of the Notes in the aggregate principal amount of HK\$45,000,000 will be completed on 22 March 2018.

As the single largest shareholder of the Borrower, the Company can reap benefits from the success of the Subscription and the Directors are therefore of the view that the provision of financial assistance to the Borrower to facilitate the Subscription is in the interest of the Company and its Shareholders as a whole.

The terms of the Stock Borrowing Agreement were negotiated on an arm's length basis between the Lender and the Borrower. The Directors consider that such terms are on normal commercial terms and are fair and reasonable. Taking into account (i) the financial performance of the Borrower and its subsidiaries; (ii) the Guarantee and Indemnity to be entered into by the Guarantor and the Borrower to cover any costs, losses and damages which may be sustained by the Lender as a result of any of the Secured Liabilities; and (iii) that the Stock Borrowing Agreement and the transactions contemplated thereunder would enable the Company to optimise the return on part of its investment in the Borrower through the borrowing fee of 3.5% per annum on the Loaned Securities, which is in addition to any returns on the investment in the Borrower which would otherwise be available to the Company, i.e. by way of payment of dividends, the Directors are of the view that the Stock Borrowing Agreement and the transactions contemplated thereunder (including the Share Charge and the Guarantee and Indemnity) are beneficial to the Group and is in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

The entering into of the Stock Borrowing Agreement and the transactions contemplated thereunder, i.e. the loan of the Loaned Securities by the Lender to the Borrower, constitutes a provision of financial assistance by the Company under the GEM Listing Rules. Further, pursuant to the Share Charge, in the event that the Borrower fails to perform its obligations in relation to the Subscription in accordance to the terms of the Subscription Agreement and that the Share Charge becomes enforceable, the Investor shall have the right to exercise all rights and enjoy all benefits attaching to the Loaned Securities. As such, the entering into of the Stock Borrowing Agreement (including the Share Charge) and the transactions contemplated thereunder constitutes a deemed disposal for the Company under the GEM Listing Rules.

In the event of the enforcement of the Share Charge by the Investor, the Group would cease to own the Loaned Securities. The sum recoverable by the Group from the Borrower for the Loaned Securities pursuant to the Guarantee and Indemnity is agreed at HK\$72,000,000, being the market capitalisation of the Loan Securities by reference to the average of the closing prices of the shares of the Borrower for five consecutive trading days as quoted by the Stock Exchange immediately prior to (but not including) the date of the Stock Borrowing Agreement. As such, the Company would record a gain or loss equal to the difference between such agreed value and the carrying value of the Loaned Securities at the time of enforcement of the Share Charge (subject to confirmation by auditors of the Company). The carrying value of the Loaned Securities as at 31 December 2017 was approximately HK\$73,800,000. Any proceeds received will be used for the general working capital of the Group.

As certain applicable percentage ratios stipulated under Rule 19.07 of the GEM Listing Rules in respect of the Stock Borrowing Agreement (including the Share Charge) exceed 5% but are less than 25%, the transactions contemplated under the Stock Borrowing Agreement (including the Share Charge) constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and are subject to the notification and announcement requirements under the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	HMV Digital China Group Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on GEM (Stock Code: 8078)
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Healthoo International Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (Stock Code: 8088)
“Convertible Bonds”	the 8% secured convertible bonds in the aggregate principal amount of HK\$150,000,000 issued by the Borrower pursuant to the Subscription Agreement
“Custodian Deed”	the custodian deed supplemental to cash securities trading account terms and conditions to be entered into between the Lender and the Investor
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantee and Indemnity”	the guarantee and indemnity dated 22 March 2018 and executed by the Guarantor and the Borrower in favour of the Lender for the Secured Liabilities
“Guarantor”	Mr. Shiu Stephen Junior, an executive director of the Borrower and the beneficial owner of 1,114,883,840 shares in the Borrower as at the date of this announcement, representing approximately 8.26% of the shareholding interest thereof
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (within the meaning of the GEM Listing Rules)
“Investor”	Wan Tai Investments Limited (萬鈞投資有限公司), a limited liability business company incorporated under the laws of the British Virgin Islands and an Independent Third Party
“Lender”	AID Treasure Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Loaned Securities”	up to 300,000,000 shares in the Borrower, representing approximately 2.22% of the shareholding interest thereof as at the date of this announcement, which will be lent by the Lender to the Borrower under the Stock Borrowing Agreement
“Notes”	the 8% secured notes of the Borrower in the aggregate principal amount of HK\$150,000,000 constituted by the note instrument(s) issued and to be issued by the Borrower pursuant to the Subscription Agreement
“Secured Liabilities”	(a) the obligations and liabilities of the Lender under or in respect of all or any of the Subject Documents; (b) all costs and expenses (including legal costs) incurred by the Lender in the negotiation, execution and performance of any of the Subject Documents to which it is a party; (c) any breach of the Stock Borrowing Agreement by the Borrower; (d) any costs, expenses, loss and damages suffered by or any indemnity paid by the Lender under the Share Charge and the Custodian Deed including any undertakings (whether present, past or future) given by the Lender thereunder; and/or (e) any loss of the Loaned Securities by the Lender upon enforcement of the Share Charge and/or the Custodian Deed by the Investor

“Settlement Date”	(i) 2 January 2019 (or 2 January 2020 or 2 January 2021, as the case may be, if the maturity dates of the Convertible Bonds and the Notes are extended in accordance with the terms of the Subscription; or (ii) the date when the Borrower has no further obligation and liability to the holder(s) of the Convertible Bonds and the Notes under the terms of the Subscription; or (iii) the date upon which the Loaned Securities are released, assigned and transferred to the Lender by the Investor in accordance with the Share Charge, whichever is earlier, or such later date as may be agreed between the parties in writing
“Share Charge”	the share charge to be entered into between the Lender and the Investor in relation to a share charge over the Loaned Securities granted by the Lender in favour of the Investor as security for performance of the obligations of the Borrower in relation to the Subscription
“Share(s)”	ordinary share(s) of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Borrowing Agreement”	the stock borrowing agreement dated 22 March 2018 and entered into between the Lender and the Borrower in relation to the loan of the Loaned Securities made available by the Lender to the Borrower by way of the Share Charge
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by the Investor of the Convertible Bonds and the Notes
“Subscription Agreement”	the subscription agreement dated 17 November 2017 and entered into between the Borrower and the Investor in relation to the Subscription, as may be amended from time to time, details of which have been disclosed in the announcements of the Borrower dated 17 November 2017 and 2 January 2018
“%”	per cent.

By Order of the Board
Healthoo International Technology Holdings Limited
Wu King Shiu, Kelvin
Chairman

Hong Kong, 22 March 2018

As at the date of this announcement, the Directors are:

Executive Directors: Wu King Shiu, Kelvin, Chan Suet Ngan, Hu Kenneth and Qian Alexandra Gaochuan

Non-Executive Directors: Xu Haohao and Guo Qifei

Independent Non-Executive Directors: Fong Janie, Yuen Kwok On and Matsumoto Hitoshi

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 (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.8088inc.com.